

JPRS-WER-87-078

5 OCTOBER 1987



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# ***JPRS Report***

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## **West Europe**

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## WEST EUROPE

### CONTENTS

#### POLITICAL

##### BELGIUM

Wathelet Proposes Reforms in Community, Economic Areas (Charles Bricman; LE SOIR, 16, 17 Jun 87) .....	1
Wathelet's Ideas	1
Van Miert's Reaction	4

##### FEDERAL REPUBLIC OF GERMANY

Annual Report on DKP Membership, Funding Released (HANDELSBLATT, 22-23 May 87) .....	6
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##### FINLAND

Gorbachev Changes Challenge Country's Communists (SUOMEN KUVALEHTI, 12 Jun 87) .....	8
Aalto, Sinisalo Groups Affected, by Jorma Bergholm SKP(Y) Congress Viewed	12
SDP Congress: 'Four Days That Changed' the Party (Tuomo Lappalainen; SUOMEN KUVALEHTI, 12 Jun 87) .....	13
Book Review: Politics and Policy-Making in Finland (Tatu Vanhanen; HELSINGIN SANOMAT, 21 Aug 87) .....	18

GREECE

Papandreu's Former Confidante Circle Reportedly Reorganized (I VRADYNI, 10 Aug 87) .....	22
New, Close Collaborators of ND's Mitsotakis Listed (Mikh. Dimitriou; TO VIMA, 9 Aug 87) .....	23
Comments on Political Successor to KKE's Florakis (I. K. Pretenderis; TO VIMA, 16 Aug 87) .....	26

NORWAY

Paper Criticizes USSR for 'Taking Law Into Own Hands' (Editorial; AFTENPOSTEN, 15 Aug 87) .....	30
Paper: Nonsocialists Seen Currently Incapable of Unifying (Editorial; AFTENPOSTEN, 6 Aug 87) .....	32

TURKEY

Commentary Urges U.S.-USSR Cooperation in Middle East (Ergun Balci; CUMHURIYET, 16 Jul 87) .....	34
Government Stance on Kurds Termmed 'Bad Policy' (Yavuz Donat; TERCUMAN, 16 Jul 87) .....	36

MILITARY

FEDERAL REPUBLIC OF GERMANY

Reservists' Reactions Vary on Fall Maneuver Participation (Armin A. Steinkamm; LOYAL, Jan 87) .....	39
Progress Claimed in Training of Reservist Unit Instructors (Wolf-Hartmut Reckzeh; LOYAL, Jan 87) .....	44
Training of Reserve Medics Lags Despite Critical Wartime Role (Horst Macha; LOYAL, Jan 87) .....	47
Optronic Ground Target Acquisition Systems Under Development (Wolfgang Flume; WEHRTECHNIK, Mar 87) .....	51

GREECE

U.S. Bases' Issue Viewed From Various Aspects (KYRIAKATIKI ELEVTHEROTYPIA, 2 Aug 87; I KATHIMERINI, 9-10 Aug 87) .....	53
No Influence Seen on National Affairs, by Potis Paraskevopoulos	53

No Agreement Before Elections, by Panos Zoukakos	54
ND Concurrence Not Ensured, by Nikos Simos	56
 Unimplemented 'Scandalous' Aircraft Parts Sale Denounced (ANDI, 31 Jul 87) .....	58
 New Regulations on Army Specialists' Service (Nikos Khasapopoulos; TO VIMA, 8 Aug 87) .....	61
 <b>PORUGAL</b>	
 <b>Briefs</b>	
USSR Reaction to Base Transfer	63
 <b>SWEDEN</b>	
Newspaper, Officers Assess Sub Hunt (SVENSKA DAGBLADET, 24 Jul 87) .....	64
ASW Force Ill Suited, by Lars Hansson	64
Firing 'Shock Shells' Fruitless, by Benita Anderson	68
Paper Describes 'Fundamental Mistake', Editorial	71
 Three New Boat Types Seen Strengthening Coast Artillery (Staffan Nilsson; SVENSKA DAGBLADET, 24 Jul 87) .....	73
 Military Practicing for Underwater Submarine Rescue (Margit Silberstein; SVENSKA DAGBLADET, 24 Jul 87) .....	76
 <b>ECONOMIC</b>	
 <b>FEDERAL REPUBLIC OF GERMANY</b>	
First FRG-USSR Joint Ventures Concluded (FRANKFURTER ALLGEMEINE, 11 Jul 87) .....	78
SPD Says SDI Damages FRG Trade With East (HANDELSBLATT, 16 Jul 87) .....	80
Bank Project To Facilitate Trade With East (HANDELSBLATT, 15 Jun 87) .....	82
Hi-Tech Baden-Wuerttemberg Is Target of East Bloc Espionage (FRANKFURTER ALLGEMEINE, 17 Jul 87) .....	83
Norway To Provide 20 Percent of Natural Gas by Year 2000 (HANDELSBLATT, 14 Jul 87) .....	85
Inland Shipping: Tough Competition From Holland, Bundesbahn (WIRTSCHAFTSWOCHE, 3 Jul 87) .....	86

Domestic Economy Benefits From Aid to Developing Countries (FRANKFURTER ALLGEMEINE, 27 May 87) .....	90
Long Term Unemployment Climbs (SUEDDEUTSCHE ZEITUNG, 24 Jul 87) .....	92
Bonn Weighs Subsidies To Boost Employment (SUEDDEUTSCHE ZEITUNG, 24 Jul 87) .....	94
DIW: Long-Term Competitiveness Requires More Basic Research (HANDELSBLATT, 9 Jul 87) .....	97
BMFT Reports More Private Sector Initiative in R&D Funding (HANDELSBLATT, 13 Jul 87) .....	99
Study Recommends Massive Subsidies for Electronics Industry (FRANKFURTER ALLGEMEINE, 22 Jul 87) .....	102
Editorial Comments on Role of Service Industry Sector (Konrad Mrusek; FRANKFURTER ALLGEMEINE, 25 Jul 87) .....	104
Lower Health Care Costs Curb Pharmaceutical Industry Growth (Werner Kohler; FRANKFURTER ALLGEMEINE, 11 Jul 87) .....	106
Improved Rail Connections High Priority for Berlin Senate (FRANKFURTER ALLGEMEINE, 25 Jul 87) .....	108
Nuclear Energy Called 'Interim Solution' at Energy Forum (FRANKFURTER ALLGEMEINE, 11 Jul 87) .....	110
Goal of IG Bau Is 35-Hour Week (FRANKFURTER ALLGEMEINE, 16 Jul 87) .....	111
<b>Briefs</b>	
Government Opposes Interest Subsidies	112
Study on Cologne Harbor Space	112
Transportation Market Liberalization Roadblock	113
<b>GREECE</b>	
EEC Interest in Stabilization Program's Success (TO VIMA, 9 Aug 87) .....	114
<b>SOCIAL</b>	
<b>FEDERAL REPUBLIC OF GERMANY</b>	
Unions May Face Shortened Work Week by 1990 (HANDELSBLATT, 11 Jun 87) .....	116
Clinic Reports on Health Care Problems for Turks (Gesine Desgroseilliers; FRANKFURTER RUNDSCHAU, 20 May 87)	118

## WATHELET PROPOSES REFORMS IN COMMUNITY, ECONOMIC AREAS

## Wathelet's Ideas

Brussels LE SOIR in French 16 Jun 87 pp 1, 2

[Article by Charles bicman: "The Call from Petit-Rechain: Wathelet Lays the Foundations for his Government"]

[Text] On Saturday, Melchior Wathelet turned over to us a "statement of policy" which is probably going to cause a stir in the days to come. The president of the Walloon regional cabinet is indeed speaking out in a spectacular way in the national debate on fiscal reform, which is beginning to concern most people seriously. And he then suggests to the French-speakers that they get together among themselves at first, and then with the Flemish, to lay the basis for the coming reform of the Belgian state.

In each of the two parts of his statement, although he proclaims his indefeasible loyalty to the present federation, the minister-president does not hesitate to upset traditional ideas, both in the heart of the sixth Martens government, and in the opinions of French-speakers. Foundations for the program of a "future first Wathelet cabinet?

Employment and the reform of the state: two themes which are not directly part of the responsibilities of the regional executive bodies; but Wathelet explains at once, from his residence in Petit-Rochain (Verviers), that he is speaking as much as a Belgian politician with a seat in the national parliament as he is as president of the Walloon executive body.

He feels, first of all, that "the agreement on the Fouron affairs gives the government an opportunity to decide on the matters of first importance which have been held up in the waiting rooms, when they should be handled on an emergency basis." The Council of State's opinion on the Happart law was not yet known then, but Wathelet seemed to be betting on a divided opinion originating in the administrative-law system. "Both propositions are thus defensible, and the government has no reason not to abide by the agreement reached, whatever one may otherwise think of it."

All of the following matters, he said, concern employment in general, and Walloon employment in particular: the R.T.T. contract, the Airbus program, military spending--but also the budgetary debate and the proposed fiscal reform.

[second article listed above begins here]

Melchior Wathelet is thus attacking Verhofstadt in two ways: first because his financial obsessions are in the end killing any hope of reforming the industrial structure, by preventing Belgium from carrying out needed investments (Airbus, the Squalus, the GLT, a new means of mass transit developed by BW); and second, because "in expectation of an impending electoral deadline, some people are tempted to propose a fiscal reform which turns more on short-run demagogic attractions than on the deep-seated needs of our society."

#### The Employment Package

The PSC's wonder-boy then points to 1992 and the arrival of the European domestic market as the basis of his judgment that it is indispensable for the country to adapt to this new datum. Noting that the relationship between labor costs and capital costs is much less favorable to employment in Belgium than in the other EEC countries, Wathelet proposes, as an indispensable precondition, a reduction of social burdens massive enough to produce a psychological shock and to brake the tendency toward a widespread substitution of capital for labor in production. "We have already made an enormous effort in the area of productivity gains; so much so, and so well, that we are equipped to cope with 1992 in this area. Now we must think about employment."

Tax reform comes only later, according to a multiyear schedule, which would include separate treatment of spouses' incomes, deductions for child-care and educational expenses, relieving the tax pressure on labor incomes, and creation of a technological tax paradise.

But the order of priority ought not, in his opinion, to be reversed: a massive injection of purchasing power by means of a substantial tax reduction would certainly be well received by the voters, but, in the present state of the productive system, it would at once lead to massive losses to imports, and to trade-balance disequilibrium.

#### Pacify Belgium

The second segment of the "statement" is no less significant. Attacking the Belgian-Belgian controversy frontally, Wathelet asks for "realization of the risks in the policy of blind alleys and tensions we have come to know during the most recent inter-community debates."

The new community-to-community dialog cannot succeed, the author assures us, unless, like the leading Flemish politicians, the Walloons and those in Brussels get together, without complexes or aggressiveness, to ascertain the interests of their respective groups apart from partisan cleavages.

Pious hopes? The minister-president proclaims his intention of going forward. "What we succeeded in doing with the socialists and the ecological groups within the committees of the regional council, we should be able to achieve again before a dialog with the Flemish community aimed at a declaration on revision of the Constitution." And he suggests that, if no one else takes the

initiative, he himself would be able to formulate propositions from his post as president, that is, to enter directly into discussions with the Flemish council.

With what aim? First of all, to reform the system for financing the regions and the communities, on the basis of a regime of fiscal autonomy tempered by mutual-support mechanisms. The Flemish want an end to subsidies? Wathélet says he is ready to discuss this, but only after the arrangements for Brussels are settled, so that Flanders does not end up as the exclusive beneficiary of the financial transfers.

A step toward the Flemish, a step toward the socialists; while he does not exclude the possibility of "re-nationalizing" responsibilities which are today regionalized, Melchior Wathélet does not see why matters pertaining to public works and to transport and communications could not be transferred to the regions in keeping with the actual nature of each: ports, for example.

In proposing a revision of the respective roles of the Chamber, the Senate, and the regional and community assemblies, finally, Wathélet emphasizes procedures for conflict resolution and cooperation. "It is best to set up forums, and to finetune procedures, whose whole purpose will be to favor this kind of cooperation, rather than systematically reserving the role of arbiter to the central government as soon as there is conflict, or indeed even before it shows itself. One of these days we are going to have to try to clarify together just what we will be expecting of a central government which, far from denying the fact of federation, will be collaborating effectively and fairly with its regions and its communities."

The minister-president of the Walloon regional cabinet indisputably enjoys political adroitness commensurate with his lofty ambitions. If he is speaking out today, after having contented himself with no more than behind-the-scenes activity during the back-and-forth over Fouron over the past few weeks, it is because he feels the moment has arrived for him to attempt a breakthrough.

Within his own party, the moment is not ill-chosen. Nothamb is recovering slowly from his ouster at the end of 1986. Joseph Michel, despite his prominent role in the most recent events, is tied up in traffic. Deprez and Maystadt came out somewhat damaged from these same events, in which the PSC gave the impression of taking a beating. Armed with his "virginity," Wathélet may think the moment has arrived to come out of his dugout and lay claim to the leadership role among the Christian Socialists.

This is all the more true in that his performances as moderator have made an impression in Flanders. So much so that, at the CVP today, it is being said he would be the only Walloon decently "available" for the prime ministership.

But to do what, and with whom? One might think that, having made his proposals, Wathélet is answering the second question between the lines of his statement. When he suggests that the government "chance it" on employment in the socio-economic field, he is preparing the ground for a future legislature, since he knows full well that, with election deadlines approaching (not to

speak of legislative elections that might be moved forward, the communal elections will be held in October 1988 no matter what), the liberals are unable to escape the kind of fiscal priorities that he is calling "demagogic" and anti-economic.

And in suggesting that French-speakers carefully prepare among themselves for a Constitutional-revision declaration and for a new inter-community dialog, he is evidently seeking to put the socialists back into the big game for the Rue de la Loi, while holding out before the Flemish the glittering prospect of the fiscal autonomy they are claiming.

Underway to a Wathélet-Van Miert cabinet? The individual mainly concerned vigorously denies that he is thinking of switching alliances. "Martens VI," he says, "must go down the road to the end of the legislative period with the same team in harness. And it is capable of agreeing on the program I am proposing to it." That remains to be seen. And in any case, people in Flanders are convinced, even if no one yet dares to admit it publicly, that it will be impossible to get along without the premier political force in the French community, the socialist party, if a new inter-community dialog is to come to a successful issue. In this context, a center-right Christian Socialist has the best chance to play a major role in a two- or three-party coalition. To which Wathélet, in his own mind, seems to be adding: "And why not a French-speaker?"

#### Van Miert's Reaction

Brussels LE SOIR in French 17 Jun 87 p 1

[Interview by Charles Bricman with Karel Van Miert: "Point Blank: Karel Van Miert on Melchior Wathélet's Proposals"]

[Text] Bricman: Does a Wathélet-Van Miert government tempt you?

Van Miert: You can't keep anyone from dreaming.... I really wish to take up, out of Mr Wathélet's remarks, only the openings that they convey. Only thus can a good many things be unjammed. For I have read these declarations attentively, and I don't underestimate their importance.

Bricman: Meeting?

Van Miert: I appreciated the way Mr Wathélet is approaching the economic problems and is showing concerns that we share with him, as to employment, tax reform and government spending. For heaven's sake, let us not sacrifice our future to election considerations. I agree that we have to get to work on the tax system, but we must also take a longer-range view.

On the subject of the linguistic communities, furthermore, I am delighted to see that Wathélet's remarks, in any case, come down to a new chance for dialog. He is right to want to get out of an obsession with a problem like that of Fouron, which is an anachronism in our political life, and to want to approach the problem from a broader standpoint. He is right to want to settle the status of Brussels, to reform the system for financing the regions and localities, and to redistribute responsibilities.

Bricman: In short, it's love at first sight?

Van Miert: I didn't say all the problems were solved. I take Wathélet's action for what it is, an overture. We've been told so often there's no alternative to this government that has decided not to tackle the longstanding communal problems. I can only rejoice that a figure from the majority is giving us proof to the contrary. Let us get on with the discussion, then, since the thinking of the sixth Martens cabinet on linguistic-community affairs has reached the end of its tether. And let us try to make progress on the fiscal and constitutional problems without bringing up the linguistic-boundaries questions again. For, if we do that, we cannot avoid stalemate.

Bricman: All the same, let us talk about this "Fouron anachronism." You have not been behindhand in demanding Happart's head. For his part, Wathélet is again talking about legislation for the officeholders in border areas, and about linguistic courtesy. Contrary to the Galle bill, which would impose a language examination on local officeholders.

Van Miert: Linguistic courtesy? But that's so obvious. When I went into the offices of the unified PSB, a long time ago now, it was obvious to me that I would have to speak French. Unfortunately, the obviousness of this was not always perceived by everybody. And in Fouron, a mayoral candidate even made a political weapon out of his ignorance. But the context changes the moment there is a little good will, as is the case with Wathélet, who is a fine bilingual. Where this is so, all your Galle bills become needless....

Bricman: The Flemish are the majority in Belgium. Does the idea of French-speaking prime minister shock you?

Van Miert: Not at all! What would be shocking would be a prime minister who does not speak the other fellow's language. To get into number 16, Rue de la Loi, you have to be able to manage a team, and to be able to address all of your countrymen, both in French and in Flemish.

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## ANNUAL REPORT ON DKP MEMBERSHIP, FUNDING RELEASED

Duesseldorf HANDELSBLATT in German 22/23 May 87 p 3

[Article by "na": "Rise in Number of Communist Workers Groups"]

[Text] Duesseldorf, 21 May 87--The Moscow-line German Communist Party [DKP] which, contrary to its own claims, has just over 40,000 members appears to have received more than DM 65 million in clandestine funds from the GDR in 1986 once again, according to the Office for the Protection of the Constitution [BfV].

In its 1985 annual report, the DKP listed its expenditures at only DM 20.3 million. The new BfV report, submitted by Interior Minister Friedrich Zimmermann, casts doubt on this assertion. The report claims that actual DKP expenditures were doubtless substantially higher in 1986 once again.

The report also states that the DKP continued its efforts to subvert the DGB and its separate trade union organizations the party's long-term goal being to turn them into communist tools. According to information provided by the party itself, 99.3 percent of the delegates to the 8th DKP party congress were union members. 624 of the 719 regular delegates held posts in factories or unions and 204 of the delegates were union representatives.

As before, the reports points out, there is only a handful of Moscow-oriented communists holding high-level union positions. But they do hold a substantial number of posts and exert a corresponding amount of influence in some of the lower-level union organizations. This is especially true in the printers union, the journalists union and the new media union, all of which are part of the DGB.

As a "Marxist workers party," the DKP looks upon the factories as "a crucial battlefield," since they represent the "main nerve center of the system." According to the BfV report, the number of communist workers groups has been on the rise once again. In 1986, almost 400 such groups (as compared to about 370 in 1985) were made out. Roughly one-third of these were active in the metal industry and about one-fourth in the public service sector, principally in communal and Land administrations. Some of these workers groups, however, consist of just a few persons who engage in effective outside activities only at irregular intervals.

The goal set by the 8th party congress is said to have been the establishment of an additional 200 workers groups by the end of the decade. Over the next 5 years, the proper conditions for "communist activities" are to be created in all plants with a work force numbering more than 3,000.

The report says that the number of DKP factory newspapers has declined once more. The BfV has a record of some 340 newspapers (as compared to about 360 in 1985) with a circulation ranging from several hundred and several thousand. Most of these appear at irregular intervals.

The report goes on to say that the communists took part in a number of initiatives and "citizens committees" in opposition to the "annihilation of jobs," calling for "subsidy programs" on behalf of individual plants and sectors of industry and demanding that the class struggle take the place of social partnership.

According to the BfV, the DKP, in coordinating and stepping up its activities in industry, has provided country-wide consulting services to companies such as Siemens, Opel, Daimler-Benz and Mannesmann and to sectors of the economy such as the chemical industry, the steel and shipping industries, the health care system and the national railroads.

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## GORBACHEV CHANGES CHALLENGE COUNTRY'S COMMUNISTS

Aalto, Sinisalo Groups Affected

36170121 Helsinki SUOMEN KUVALEHTI in Finnish 12 Jun 87 p 55

[Article by Jorma Bergholm: "How to Make Communism More Attractive?"]

[Text] The jokes of Finnish Communists are few in number. The previously powerful and influential fringe left is withering into a fragmented party or more correctly into two fragments. Both are marching decisively down the road marked out by marxism-senilism, at least if one looks at the age structure of its supporters and members.

The external provisos for SKP's and Devi's political action have changed dramatically in a few years. Gorbachevism with its glasnost and perestroika is stirring up international communism. In Finland the largest leftist party is cooperating with the right in a coalition government on what seems like long-term basis. And finally, the conflict that has existed among the communists for years has now resulted in an open organizational schism. Ulla-Leena Alppi and Risto Repo are examining the future of their movement on the eve of their party's caucus. They are not speaking as "representatives" of any faction, but solely on their own account.

Ulla-Leena Alppi: "Only Authenticity Has True Appeal"

Ulla-Leena Alppi, 37, would have been the youngest member of her cohort of representatives if she had not decided to move more to the sidelines from the hard core of professional politics. She was also the youngest in 1976 when she first became a representative.

The political path of the girl from a working class family was fast and upward bound, consisting of union activity. Sirola Institute, Youth League, position as a representative, chief vote getter in her electoral district and finally the position of SKDL's vice chairperson. A couple of weeks ago Esko Seppanen offered Ulla-Leena Alppi as a chairperson for SKP, in the name of SKP's very own perestroika.

Ulla-Leena, however, wants a different kind of life for herself. She got tired of the unending meetings, flitting from place to place, dividing herself. She

has not left politics and the comparisons to Seppotikka and Pursianen simply seem to enrage her.

"I have wanted an opportunity to concentrate, to find room for insights, to learn from myself, to find a more authentic Ulla-Leena. I am searching for a different, deeper, politic."

So the Tampere girl left the Parliament, sold her duplex in the city of her birth and acquired housing with her companion from Helsinki's Puistola. After March elections she has considered herself to be on a spring break or spending a few months on a sabbatical. She takes part in a women's discussion and information group, walks her spaniel Justus, lives in an intensive pair relationship, reads, listens and observes.

#### SKP Disintegration Unavoidable

Ulla-Leena Alppi was very critical of the final dissolution of the SKP and the SKDL. "Now I feel that it was unavoidable. So many unnecessary and negative features of the people's democratic movement received their impetus from the internal jockeying for power. The ends justified the means on both sides. Now hopefully both gangs will have enough sense to pause to look in a mirror."

The division into a majority and minority had not for a long time been based primarily on the content of a policy or on the understanding of a political concept. "The question had become more and more one of tactics and - of power. Now that the dissolution has become a fact, one comes to notice that conservatives existed in both factions. Also desire for progress and talent."

By conservatism she means, among other things, authoritarian thinking, denial of freedom of speech, centralization of power, undemocratic tactics.

Ulla-Leena Alppi does not harbor hopes of any organizational healing taking place among the Finnish fringe left, at least not in the near future. "Neither has any appeal in its approach. Even their own membership has become passive. Only a fundamental internal revitalization can initiate healing.

#### Liberation from Verbal Radicalism

Ulla-Leena admits that at the moment the People's Democrats are a wanling party. Neither does she believe that Gorbachevism or the movement of the SKDL to the right would ease the situation. "Foreign string pulling or manipulation of internal positions is not sufficient. The change has to originate from ourselves or we shall fail to arrive."

According to her the change should be based on the understanding of the premise that only the authentic has appeal. The conflict of words and deeds has gnawed at the credibility of People's Democrats. "We demand democracy, but function autocratically ourselves. We speak of solidarity, but seldom feel obligated by solidarity in our day to day functions. We support the equality of the sexes, but our functions are male dominated and the position of women often strictly that of mere objects."

Ulla-Leena Alppi has had it up to her ears of her movement's verbal radicalism. "In a country like Finland nothing is easier than creating these litanies. But one should finally realize that even a good political program will not succeed unless we, the creators of change, are not trusted as individuals.

#### Personal Responsibility and Morality

Even her own party has reproved Ulla-Leena for being idealistic, sometimes even moralistic. "There is a difference between being moral and moralistic. If the movement for change has no morality, what's left? The pitting of individuals against the collectivity is another fateful mistake. In the labor movement individual responsibility has been easy to avoid by escaping to the protection of this or that organizational decision made by groups.

Ulla-Leena does not believe that the People's Democrats can reform at a moment's notice. "There is no question of some religion-like total commitment of the individual. But candor, authenticity and consciousness are essential for the endeavor.

In spite of her stiff criticism Ulla-Leena has not lost her faith in the future of her movement. Seeing on one hand immense misery and on the other hand the boundless selfishness of the bourgeois, one understands that the left is still the only real alternative.

#### Risto Repo: Perestroika is an Immense Process

"Socialism yes, armaments no" demanded a 20-year old Risto Repo once during the summer of 1976 in front of the Soviet embassy. He was one of those demonstrators who joined the SKP a couple of years later as members of its Taisto-line minority wing.

#### Four Years in Poland

Following his studies and a stint in the army, reserve ensign Repo became, almost by chance, a political editor for the TIEDONANTAJA paper. In the fall of 1979 the paper sent him to Warsaw as a correspondent. "I had such selfish expectations: I would learn about the country, study a little on the side and write propaganda on behalf of socialism. Nothing extraordinary could be expected to happen there anyway."

The price riots of the following summer put into motion a series of events in Poland that hardly has parallel in post-war European history. Gdansk, Walesa, Solidarity, and then Jaruzelski, state of war, normalization. "It was a shock. My relationship to political and journalistic work changed dramatically. Formerly I tried to tell how things ought to be. Now I see my task as trying to find out how things really are."

Four years in Poland, however, did not shake Risto Repo's ideological foundations. At the end of 1983 he was chosen as TIEDONANTAJA's vice editor-in-chief. According to some his task was to see to it that at least someone

would read the paper, whereas the editor-in-chief would guarantee that there would be no backsliding in the party line.

#### They Cheered at the TIEDONANTAJA Office

In the fall of 1984 Risto Repo read a speech which Gorbachev had given to the ideological workers. It affected him like an electric shock. "It was so different from all the phraseology to which he had become accustomed. It was immediately clear to me that some immense process was about to begin."

Chernenko was still in power then, although he was suffering from continuing "minor flu episodes." When the Moscow radio announced the selection of Gorbachev half year later, the TIEDONANTAJA staff cheered.

To put it mildly, Risto Repo is enthusiastic about glasnost and perestroika. His communistic and journalistic fingers are itching to find out personally what is really happening in the giant state. Gorbachevism is an historical opportunity for Risto to make communism interesting and attractive on a worldwide scale and also here in native Finland.

#### A Thousand Ruble Question

The communist division must now also be seen in a new light. "At a time when Sakharov is publicly presented to the western press in Moscow it is totally impossible that KANSAN UUTISET would substantially borrow from TIEDONANTAJA. This would be senseless."

Risto Repo is not ready for the violent self-criticism of the Taisto-line minority. He is however ready to state that there can be no return to the Stalinist organizational mode. "If the internal critical discussions were stifled, or even more importantly, if democracy were not essentially increased, Deva would have no future."

The unification of our fringe left is not possible in the near future. "Organizations have a tendency to justify their existence." However, he does not see political obstacles to unification. "If one reads the programs no significant differences justifying organizational dissolution can be found. But the true thousand ruble question is this: How will the Soviet process be reflected in our affairs?"

The governmental cooperation between SKDL and the Conservatives has broadened the radical left's area of operations and also its possibilities for adding to its support. Risto Repo, however, is of the opinion that a new rise of the Communists requires more than that. "If, for example, we were to make comparisons with Kari Kairamo, we have lost the ball in regard to social boundaries. We do not yet have a leftist alternative for this 'controlled change of structure.' And not really for anyone."

SKP(Y) Congress Viewed

36170121 Helsinki SUOMEN KUVALEHTI in Finnish 12 Jun 87 p 18

[Commentary by Kauko Holopainen and Seija Lamberg: "Taisto-line Minority at Loggerheads"]

[Text] Last weekend the Communist Taisto faction, separated from the SKP, held its own meeting at Espoo. The party chairman, Taisto Sinisalo, received both a continuation and a scolding from the gathering. Scolding, because the party leadership had named Jouko Kajanoja as the presidential candidate and labeled Kalevi Kivistö as incompetent in foreign policy.

The party caucus did not swallow Kajanoja's candidacy without gagging and a segment of the party representatives rooted for the SKDL candidate Kivistö. The representatives Esko-Juhani Tennila and Ensio Laine were also floated as alternatives. The party leadership will make its decision on Saturday and end up with Kajanoja.

In addition to the presidential candidate the gathering also argued about the founding of a new party. A first walkout was also seen. About twenty of those in favor of founding a new party marched to the courtyard, when their recommendation was not included in the vote. When even Tennila declined the honor of the party's leadership activities, one could ask with good reason whether the Taisto faction is once more engaged in dissolving its party.

The official SKP, the one led by Arvo Aalto, will hold its own 21st meeting of representatives at the Helsinki House of Culture during the next weekend.

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## SDP CONGRESS: 'FOUR DAYS THAT CHANGED' THE PARTY

3670121 Helsinki SUOMEN KUVALEHTI in Finnish 12 Jun 87 pp 16-18

[Article by Tuomo Lappalainen: "Four Days that Changed the SDP"]

[Text] The election of Paasio was in the last analysis perhaps even more overwhelming than expected. A margin of 270 votes to the runner-up Vappu Taipalee's 62 testified that even by cautious estimates about half of the 80 women representatives rejected the official candidate of their own league.

After the chairman elections many Taipale supporters openly admitted that Paasio was the most difficult competitor from their point of view. If a Erkki Liikanen or Matti Ahde had been in his place the votes probably would have been divided much more evenly.

Paasio, who had risen from the Young Eagles with the help of a Turku manpower office to become the chairman of the social democratic parliamentary group, rose at first as a compromise over speculation about a successor for Kalevi Sorsa. He was 'discovered' when the original chief candidates, one after another, either declined or otherwise spoiled their chances at the latest by the spring elections.

Finally, even the Social Democrats, who had campaigned for Taipale to the bitter end, were ready to admit that Paasio had good qualifications to bring long awaited fresh approach to the party leadership, with the help of which the SDP support would be turned around from its spring through to a new crest. "Compared to Sorsa, he is clearly more popular, he can laugh even at himself and does not get insulted as readily by the party's internal critics or mass media," judged a leading theoretician.

A Paasio supporter reminds us that under the mild and jovial facade also lurks an iron-willed politician. During the last election period, for example, he managed to maintain the willful and divided SDP parliamentary group more or less together.

Parliamentary Group's Coup d'Estat.

In place of the chairman's election most attention was still directed, from the very beginning, at the competition for the secretary's position.

Bets were taken that one would find the Helsinki district chairman, Paavo Lipponen, and Matti Ahde's favorite, the political secretary of the Ministry of Culture, Pekka Ruotsalainen, opposing one another on the final lap. Dark horses, however were not totally discounted. Chief of planning, Tuomas Harpf, as well as the representatives Antti Kalliomaki and Antero Kekkonen, were often mentioned as such.

On Wednesday, the eve of the congress, the arrangement suddenly began to take a strange turn. A new candidate to the contest appears in the person of the parliamentary spokesman, Ulpu Iivari, who had lost the battle over the position of secretary just last fall to Kari T. Aho. Now, however, he was being touted as having the support of both Sorsa and Paasio.

On Thursday Iivari's shares were still on the rise, as Harpf and Ruotsalainen of the other candidates withdrew in his favor. This still left four other candidates, but during the afternoon and the evening district meetings the choices were further constricted to two for all practical purposes: Iivari and Paavo Lipponen. The majority of the districts gave their support to Iivari, but all left their representatives a free hand to votwe for whichever candidate they chose.

The leftist Social Democrats, who shunned Paavo Lipponen's ideology and disapproved the cabinet politicking practiced by Iivari, still held on to representative Jukka Gustafsson at this juncture. He, however, declined at the last moment, so that the "final outcome would not be contrary to the will of the meeting representative's majority." After Gustafsson's announcement, Arja Alho, Bo Ahlfors and Erkki Tuomioja, among others, moved their support to Lipponen. The announcement of support by Tuomioja was surmised rather to have benefited Iivari, who finally defeated his opponent by a scant 30 votes.

The wildest speculators argued afterward that ramming Iivari through into a party leadership position was planned and prepared well ahead of time. According to theory Ruotsalainen's candidacy was merely a smoke screen. In addition the plot included the invitation to leave the parliamentary group to become one of the spokesmen for the party meeting.

Paasio's motive was assumed to be the desire to prevent a too rapid rise of Lipponen and the acquisition of a familiar work companion as a closest work partner. Ahde's stands were sounded already in anticipation of leadership battles in future years - forgetting, however, that Paasio would hardly be ready immediately to relinquish his position after three, or even six years.

The choice of Iivari and Paasio was also characterized as the parliamentary group's coup d'etat. The new party leader did not even bother to deny this interpretation very forcefully. Instead, he vigorously denied the validity of the suspicions that during the continuation period the Social Democrats were practicing two kinds of politics, one by the governmental group and the other by the party leadership outside it. How could SDP, which had just during the previous government accused the Center Party of sitting on two chairs, start using the same tactics itself, he marveled.

Those who had been worried about the slippage of SDP's governing line neglected to observe that the party committee, whose influence in the planning of social democratic policies is exceptionally crucial, received altogether four ministers, and in addition one political secretary of a minister. Kaj Barlund, Erkki Liikanen, Jarmo Rantamäen and Pekka Ruotsalainen are regular members. Matti Puhakka is an alternate member.

#### A Satisfactory Synthesis

In its Helsinki meeting, the SDP also approved a basic party program, which had been in preparation for nearly ten years and had caused many arguments about party lines during its inception. This program is the fourth in SDP history and the first since 1952. At a last moment a synthesis was forged from the presentation of the party committee and from the parallel programs of seven independent thinkers. Both sides considered the outcome to be at least satisfactory.

The original presentation had been accused of having overly general, ambiguous and, in places, even trite expressions, which, according to the critics, blended the text into a meaningless ideological potpourri. Now the wording has been made more precise and more references to socialism added here and there to placate those left-inclined, but Kalevi Sorsa's mark remained clearly visible. During the congress, however, he no longer took part in the program committee's work. Only the foreign policy portions of the text were submitted for the approval of the chairman leaving office.

In its final version the ultimate aim of the program, with its speeches of "living reformation" and "participatory rule by the people," is condensed in the thought which Pertti Paasio first raised during the main festive event of the party congress: SDP can not be and should not be part of the state machinery.

'According to Paasio it is essential to find an answer to the question where and how the party policy is created. "The correct answer has to be found in the principle that the Social Democratic people's movement should work for the people with their approval with the aid of and by means of the state machinery, but not on its conditions. Great changes have to be born and developed within the bounds of the movement, from the foundation of its accepted principles. The Social Democratic organizational field cannot be merely a welcoming parade or a smelting furnace for ideas spawned as products of official duty."

Some still retained enough energy through the weekend to be able to complain that the program, in spite of its great merits, still stared more into the past than into the future. Perhaps the hardest criticism came from a central figure in the shadow theatre of the background forces, Risto Kolanen, during a speech he gave at a reception of the paper, SOCIALIST POLICY.

Kolanen compared the text of the approved program to the programs of 1903 for "eliminating poverty and inequality" and 1952 "prosperity and social security."

According to him a program based on this foundation should have "stressed social policy more consciously." SDP cannot, like the Greens, dedicate itself only to the overthrow of values or the solution of post-materialist problems, as the inequalities and new poverty of the industrial era also cry out for solution, instructed Kolanen.

Those most impatient were in favor of revamping the program already during the next decade. At the same time it was made clear that results have to be generated considerably faster than now.

"Four, five years ago SDP would have been able to come up with a better, more inspired program. Today good ideas died during discussion. In this regard we are all guilty, including myself," Kolanen judged.

"I Have Had to Fight for My Credibility"

The Social Democratic Party got its first full-time party secretary in Ulpu Ivarinen since the early days of Kalevi Sorsa (1969-1975). Where Ulf Sundqvist and Erkki Liikanen have pioneered in the parliament and occasionally even in government, Iivari plans to concentrate on getting the organizational machinery in gear and fully functioning. The project began already at the Saturday party caucus with the trashing of the district secretaries and will continue in the provinces immediately after the vacation period.

"One of the most important tasks of the party secretary is to travel to where the people are, listen to them and encourage them to act. It is a challenge in which I wish to immerse my entire personality" Iivari announces as she outlines her part in the SDP's new, more people-oriented line.

For the nonce she is an unknown entity on her party's frontlines. From Ivarinen's point of view that is not necessarily a handicap. "It might be good that I don't have an inordinate number of built-in prejudices," she muses.

#### On the Sorsa-Paasio Line

On the internal Social Democrat color map the new party secretary belongs safely in the center. When asked what it means in practice she points to the ideological program and the public statement of internal policy approved at the party caucus. Their views correspond fully with her own thoughts on social matters.

"I have said during these days that it is easy for me to love this party, just as it is, even with its shortcomings. One could even say that the love of and loyalty toward party is in its way a prerequisite for its revitalization."

Iivari has, even according to her own testimony, an active working relationship with both Kalevi Sorsa and Pertti Paasio. This does not close off the possibility that in the future issues could rise on which the thoughts of the party director and the party secretary go in different directions," she predicts.

"Of course the fact that Pertti is a man and I am a woman influence matters. All things considered, I certainly have a very typical Finnish woman's life history. I have experienced, just as have all other working women, all sorts of deep-rooted chauvinism and have had to fight for my credibility. Then there are these purely practical matters from child care difficulties to juggling two jobs. I still wash my own clothes and clean my room."

"In other words, I don't now know whether one can speak of actual pressures, but certainly at least of habitual differences in interaction.

#### Matters are Clarified by Discussion

Ulpia Iivari does not belong, nor has she ever belonged, to the activists of the feminist movement. The relationship between chairperson Vappu Taipale and secretary Marianne Laxen however is sound in every way. All of them came to Iivari during the party caucus to ask her to participate in their August seminar. The new party secretary accepted the invitation gladly.

"I have not always understood all the actions and emphases of the women's movement. But we have to start from the premise that differences are resolved by discussion. I have come to the conclusion that at least I will not write any letters" Iivari promises referring to a personal clash between Sorsa and the former secretary Laxen of the social democrats.

And what of the colleagues in the sister parties? How have they received the election news?

"I immediately received congratulatory telegrams from RKP's Peter Stenlund and the Communists' Esko Vainionpaa. Stenlund expressed a hope that my gender would brighten up the prevalent image of a party secretary. In my opinion Vainionpaa genuinely wished me well, Iivari smiles.

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## BOOK REVIEW: POLITICS AND POLICY-MAKING IN FINLAND

36170137 Helsinki HELSINKIN SANOMAT in Finnish 21 Aug 87 p 6

[Book review article by Tatu Vanhanen of "Politics and Policy-Making in Finland" by David Arter, Wheatsheaf Books and St. Martin's Press, 1987: "English Interpretation of Finnish Policy-Making: Roots of Consensus Lie in Foreign Policy"]

[Text] David Arter relates that he got the idea for his book on Finnish policy-making from conversations he had with Foreign Ministry press chief Alec Aalto in 1984. The press chief can be satisfied with the results.

Arter's analysis of politics and policy-making in Finland offers foreign scholars and politicians an account of Finland's political circumstances, key government institutions and their activities based on solid knowledge of the subject.

The book covers the most important domestic and foreign policy events and development trends of the past few decades. It was published simultaneously in England and the United States. In my opinion, it is well-suited for elucidating Finland's political scene abroad.

First, Arter presents a review of the evolution of our political system and social conditions between 1809 and 1987. From the standpoint of the foreign reader, it holds up well since elsewhere in the world Finnish history is probably not particularly well known.

Arter describes his study approach as being a topical analysis. He does not deal with the Constitution, government institutions, the parties, the special interest groups and officialdom separately, but starts out with the problems and topics relating to Finnish politics through which the institutions and their interrelations are brought out.

#### Topics

The first of the topics is the question as to whether polarized pluralism in the sense intended by Giovanni Sartori prevails in Finland. In Sartori's classification of party systems a polarized party system is an extreme kind of multiparty system. In its qualification to participate in the government is limited to those parties that are in the center of the system since those

parties that are on the fringes are opposed to the system and ideologically speaking radically antagonistic toward it. Sartori thought that the Finnish party system is of this kind.

The second topic has to do with the nature of the Finnish system of government. Maurice Duverger classified the Finnish system of government as being semipresidential, like the French system. Arter considers the legitimacy of Duverger's classification for Finland.

The third topic has to do with political decision-making. Does a consensus policy prevail in Finland or would it be more correct to regard Finland as a corporate state in which a considerable amount of the power to decide on policy has passed to the special interest groups?

In dealing with these topics Arter discusses them with allusions to Finland's political history right up to the autonomous period. His way of presenting things is in a way historical, but not chronological.

He divides the independence period into the first and second republics, using 1944 as the boundary. The terms first and second republics--although he does cite them at the start in quotes--may present an exaggerated picture of the differences between the system that preceded the wars and the postwar system because we are used to associating numbers of succession of republics with France where a new republic has always also meant a new constitution. In Finland the Constitution has always remained the same.

Arter starts out with clearcut questions, but it seems to me that he does not on all points end up with clearcut answers. He considers problems from many different angles and presents arguments and facts for and against, which results in the fact that the reader cannot easily reach a clearcut conclusion. This is particularly the case with the first and second topics.

He concludes that the Finnish party system in many respects corresponds to Sartori's characterization of a polarized multiparty system, but not entirely. In particular, the fact that there is no conservative party opposed to the system in Finland is a deviation from this.

Arter might have more strongly emphasized the fact that Sartori's portrayal of polarized pluralism no longer applies to Finland because, practically speaking, all parties are now qualified to participate in the government. There are no longer any relevant reasons for regarding the SKDL [Finnish People's Democratic League] and--even less so--the SMP [Finnish Rural Party] as parties that are opposed to the system either.

Arter does not give us a straightforward answer to the question of the semipresidential nature of our system of government. He presents an excellent review of the reasons for and the historical fluctuations in the president's power status, but he does not after all say whether he considers Duverger's classification to be right or wrong.

I at least did not find an answer to this problem in my first reading of the book. Perhaps there is no simple, unequivocal answer to the question.

## Consensus

Arter concludes with a more straightforward stance on consensus politics. He interprets consensus as having begun with foreign policy and later having been extended to wage policy and other domestic policy issues. He accepts the argument for consensus politics, although he does not feel that it is absolutely certain that it will continue to be pursued in future.

On this point a small comparison would have been appropriate with, say, England, where politics has been opposition politics. How would Arter judge these two political models from the point of view of results?

Arter seems to reject the triumph of the claim of corporatism raised by Helander as being exaggerated, although he does admit that special interest groups have gained influence through wage policy.

Things have not, however, gone so far that we have begun to change institutional power structures. Arter points out that, in the course of becoming established, the wage policy mechanism has in some respects reduced special interest groups' freedom of action and strengthened the national government's position.

From the standpoint of the Finnish reader, Arter's interpretations of the nature of our political system and the controversial issues of recent history, such as the troubled relations between Finland and the Soviet Union, the note crisis, the meshing of foreign and domestic policy "for general reasons" and the Conservative Party's competence to govern are the most interesting points.

We may, of course, differ on some of his interpretations, but Arter gives us good reasons for the stand he has adopted. I think that one merit of the book is the fact that he also deliberately brings up the very important topics of uncertainty and differences of opinion.

The study is based on very varied source materials. In addition to the literature in English, Arter makes abundant use of materials in Finnish and Swedish: research literature, politicians' memoirs, articles and newspaper articles. The written materials are complemented by interviews. Furthermore, he has his own observations of Finnish politics for a period of over 20 years.

It is, however, obvious that he could not familiarize himself with all the relevant studies of the subject. The remark based on Alec Aalto's statement that the previous extensive work in this field of study dates back to the 1960's must be regarded as a clumsy mistake. It is true that Jaakko Nousiainen's "Finland's Political System" appeared in 1959, but its updated sixth edition was published in 1985.

It is hard to find outright substantive errors in Arter's book, but some interpretations are, in my opinion, nearly that. I cite a few examples.

He says that the Whites declared Finland independent in December 1917. This is to some extent misleading: When Parliament declared Finland independent, there was not yet a division into Whites and Reds.

The system for enacting the Constitution appears to be somewhat unclear to Arter.

The interpretation of the SMP as a radical conservative party is, in my opinion, incorrect, especially in connection with the 1983 settlement on the government. The SMP was brought into the government because politically it occupied the neutral territory between the Social Democrats and the Center Party.

I would also view as a small error Arter's claim that the president has the unqualified right to dismiss the government on his own initiative. The experts probably do not agree on this, nor does political practice support the claim.

At the end of the book there is a brief estimate of Finland's future in the year 2000. Arter is convinced that Finland will continue to be a pluralistic democracy. He assumes that support for the Social Democrats will increase to about a third of the vote by the year 2000. The Conservative Party would receive about a fourth and the Center Party (possibly together with the Liberals or the Christian Leaguers) a fifth.

The latter comments were written with reference to the results of the March 1987 parliamentary elections, but before the settlement on the government in the spring. On the basis of the results, Arter felt that it was inevitable that the Conservative Party should join the government, although he did not want to predict the [composition of the] coalition.

David Arter is the senior lecturer on European politics at Leeds Polytechnic Institute. He is an old hand as a student of Finnish politics. The subject of his dissertation (1978) was the birth of the Agrarian League at the beginning of the century. After that he published several articles on Finland's parties and politics. Before this book he did an extensive comparative study of the Nordic parliaments.

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GREECE

POLITICAL

PAPANDREOU'S FORMER CONFIDANTE CIRCLE REPORTEDLY REORGANIZED

Athens I VRADYNI in Greek 10 Aug 87 p 16

[Text] A new "troika"--No. 2--is operating within PASOK's Executive Committee. It consists of A. Tsokhatzopoulos, G. Gennimatas and M. Koutsogeorgas who have re-established the Executive Committee's old Secretariat [Troika 1] which in the past consisted of the first two mentioned above and K. Laliotis.

Papandreu himself agreed to the establishment of "Troika 2" because, after they left the government these three party cadres remained inactive and performed their Executive Committee duties at a low profile. But Papandreu's consent was given on condition that no frictions would arise within the party as it happened in the past with Troika 1.

There is no doubt whatever that Troika 2 exists and functions with the Executive Committee since one of its members always presides at its meetings and all three provide guidance during its deliberations whenever Papandreu does not attend such meetings.

Another important Troika 2 function is that its members meet Papandreu when they update the Executive Committee's decisions taken in his absence. However, it should be noted that no mutual good feelings exist among the new troika members and their cooperation is limited only to party issues, given that all of them have personal ambitions which they want to strengthen by making new and meaningful accesses within the party mechanism.

In the meantime, AKROPOLIS TIS KYRIAKIS, in a report on the new troika yesterday, pointed out that "Koutsogiorgas is constantly gaining ground" and this has annoyed the other members of the Executive Office and particularly Gennimatas and Tsokhatzopoulos.

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## NEW, CLOSE COLLABORATORS OF ND'S MITSOTAKIS LISTED

Athens TO VIMA in Greek 9 Aug 87 p 3

[Article by Mikh. Dimitriou: "The Chairman's Men"]

[Excerpts] Speaking in Khania last Thursday, Mitsotakis announced his decision to push forward systematic "renewal" of the party and parliamentary mechanism of ND as TO VIMA revealed in detail last Sunday.

Speaking at a dinner meeting of followers and cadres from all over Crete, he confirmed reports that he intends to implement this renewal at the expense of current parliamentary deputies, while promoting cadres loyal to him. He will do so in two stages:

In the near future, with the gradual replacement of deputies from key positions in the party machinery, starting from the "troublesome" Section of Regional Organization (where the name of Pandelis Liatas, responsible for the party's branch organizations is being discussed).

Next, he will proceed with placement at the top of the electoral lists new or other cadres from the trade unions and the party's branches.

#### Who Are They?

Reliable sources have told TO VIMA that the first list of "hopefuls" includes the following non-deputies for higher posts in the party machinery or on the lists for candidates (some of these individuals are accused of being Mitsotakis' henchmen):

--Nikolaos Angelopoulos, a unionist in the Commercial Bank, member of the Athens municipal council, member of the ND Central Committee, and candidate for parliament in the Second District of Athens. He is to assume a leading position in the Secretariat for Political Planning (which is headed by the mayor of Piraeus, Andreas Andrianopoulos).

--Dimitrios Graikiotis, civil engineer, leading member of the engineers' branch, a member of the ND Central Committee.

--Kyriakos Griveas, civil engineer, former cadre of the Local Self Government Committee, responsible for information dissemination at the Secretariat of Regional Organization (headed by deputies Man. Kefalogiannis and Ioan. Vasiliadis).

--Giannis Dimitrokallis, engineer, responsible for organization with the Secretariat for Regional Organization (friend of Sot. Kouvelas).

--Nikitas Kaklamannis, former chairman of the physicians' branch, secretary general of the Panhellenic Medical Association (a friend of Ev. Averof).

--Aristotelis Mimmis, attorney, political activist in Aitoloakarnania, elected member of the Central Committee and the Executive Committee, and member of the Secretariat for Organization.

--Vangelis Meimarakis, attorney, former chairman of the ND Youth Organization [ONNED]. Following his "troublesome behavior" at the ONNED Congress, he restored his relations with K. Mitsotakis. He now follows the leader's political tours, helping with his connections and organizational experience.

--Konstandinos Karamanlis, attorney and international relations expert, chairman of the Movement for Multilateral Disarmament, Freedom and Security of Europe [KIPAEA] and an associate of A. Andrianopoulos in the Secretariat for Political Planning. (His cousin, Mikhalis Liapis, also an attorney and former deputy, has expressed his desire to continue taking active part in visits to the provinces, speeches, and party organizations but without taking a specific post in the central party bureaucracy.

--Kyriakos Stefanakos, former monarch and member of the Secretariat for Organization responsible for areas of Northern Greece.

--Avgoustos Vintzilaios, former director general of the minister of coordination and a cadre of the ND Planning Committee which is headed by Georgios Souflias.

--Panos Papaioannou, attorney and unionist, chairman of the lawyers' branch.

--Giannis Pieroutsakos, physician-unionist, secretary of the physicians' branch.

--Dimitris Kostopoulos, attorney, economist, former candidate for mayor for Agia Paraskevi, one of the older and more dedicated party men.

--Panagiotis Damilakos, economist, secretary of the economists' branch.

--Panagiotis Delimitsos, attorney, political activist, a leading party cadre in the area of small-medium-level businessmen.

--Vasilis Korkolopoulos, engineer and former business executive in the Ioan. Latsis enterprises, a friend of Sot. Kouvelas.

--Evangelos Pieroutseas, agronomist, unionist, and member of the Supreme Civil Servants Administrative Committee [ADEDY].

--Stelios Siakianakis, unionist, secretary of the Association of Pension Funds Employees.

--Theofiloi Vasiliou, unionist, cadre of the Panhellenic Association of Hospital Employees.

--Dinos Papadimitriou, civil engineer, cadre of the DEI General Federation.

--The unionists Ant. Zgardelis, engineer, and Kostas Alexopoulos, mechanical engineer, and the dentist-unionists Christos Karapanos and Panagiotis Alexiou.

In the area of women, persons to take over the highest posts in the event deputy Fani Palli-Petralia retires, will depend on the criteria for selection, namely, whether the preference will be for a collective leadership with veteran party cadres from the cadre section, or dynamic, new unionist women.

Depending on these criteria, the chances go up or down for Eirini Mavropoulou, attorney and candidate for mayor of Pefki; Eirini Dorkofiki, attorney and unionist; Maria Tsanaki, Piraeus attorney and member of the Central Committee; and Athina Lanara, Vasia Iliopoulou and the dynamic unionist Niki Tzavella, psychologist with the Labor Force Employment Organization.

With regard to membership of the new election committee, most likely members are Mitsotakis' close associates (Nik. Linardatos, Theod. Kassimis, Pavlos Bakogiannis, G. Voukelatos). Also, associates of the general director Angelos Bratakos, and the deputy of Trikala, Sotiris Khatziganis, while one post is claimed by deputy Stefanos Manos and a group of neo-liberalists.

However, party cadres and Mitsotakis' associates have shown little enthusiasm for certain names for the Secretariat of Information, Agriculture and Planning which so far have been successfully led by Deputies Vasilis Kondogiannopoulos, Panagiotis Khatzinkolaou, and Georgios Souflias.

According to responsible assessments changes in the leadership of these three secretariats will be the last to be implemented at the level of parliamentary deputies.

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## COMMENTS ON POLITICAL SUCCESSION TO KKE'S FLORAKIS

Athens TO VIMA in Greek 16 Aug 87 p 4

[Article by I. K. Pretenderis]

[Text] According to all indications, the election of D. Gondikas to the post of alternate secretary of the KKE Central Committee will complete the party's internal restructuring which started with its 12th Congress.

As is known, the KKE 12th Congress approved an amendment to Article 28 of the party's charter which states: The Central Committee may, if it considers it necessary, elect a chairman of the Central Committee. The Central Committee may, if it considers it necessary, elect an alternate secretary."

It is evident that with this promotion, Gondikas takes a first step toward succeeding Kh. Florakis, since he is christened officially as his successor. The organizational set up for the succession (which provides in a first phase a secretary and an alternate secretary, and in a second phase a chairman and secretary) is not a KKE invention.

It was used successfully (in the sense that it allowed succession procedures without conflicts and friction) by both the Italian Communist Party (with the twin officials Longo and Bellaguer and now the twins Nata and Oketo) and by the French party (in the case of Valdec-Rousseau and Marchais, although Valdec's illness did not allow completion of the process by his promotion to the post of chairman of the party).

It must also be noted that this is not the first time KKE would have an alternate secretary. In January 1975, the Central Committee elected N. Kaloudis to the post, but the position was abolished by the 10th Congress (May 1978). It is still unclear why Kaloudis was elected. Was it a question of Florakis' succession which was resolved with him remaining in the secretary's post, or was it an attempt to introduce some form of collective leadership? In any event, the election of an alternate secretary in 1975 had no wider in-party consequences.

This time, however, things appear to be different.

First, the amendment of the party charter indicates that the process for Florakis' succession has been discussed and outlined.

Second, such a succession process not only has been tried elsewhere with success (as we noted above) but it is in keeping with KKE's attitude on the question of cadres: the "new leader being hatched" is being accompanied in his first steps by the "experienced predecessor." The emphasis, then, is on "collectivity", on "controlled power," while the "new" leader will be enabled to build his "leadership image" under the auspices of the majority in the Political Office (Politbureau) and of Kh. Florakis, who will provide party legality, while offering his advice as well.

For emotional or other reasons, the renewal of KKE's top leadership goes forward at a snails pace. Five out of nine full members of the Politbureau (Kh. Florakis, Gr. Farakos, Loula Logara, N. Kaloudis, and K. Tsolakis) have been there since before 1974.

Until last May's 12th Congress those in the Politbureau since 1974 were seven out of eight. To the "five veterans" of the Politbureau, T. Mamatsis was added, a party official having Florakis' confidence, and who served as an alternate Politbureau member since 1978. D. Gondikas has been a member of the Politbureau since 1978, indeed without even going through the "anteroom" of the alternate member.

Third, Gondikas has already "given" the post of secretary of the Athens Party Organization [KOA] to Ms. Aleka Papariga (42 years' old, a philologist) who thus confirms her impressive rise. She was elected to the KKE Central Committee by the 10th Congress, then as alternate member of the Politbureau in May 1986 and just one year later, right after the 12th Congress, a full member of the Politbureau.

While an alternate member she was in charge of women's affairs, but now she takes over the largest KKE organization. Ms. Papariga is believed to enjoy Florakis' full confidence and also that of Gondikas whose close associate was in the party office of the KOA city committee.

Fourth, Gondikas has the "perfect life record" to become the new KKE secretary. He is in his forties (which indicates renewal in terms of age), comes from a worker's family (he is an electrician), has fighting credits of a communist type (exiled by the dictatorship from 1967 to 1971). Moreover, he has served in those posts that a party secretary should know.

He was secretary of the Communist Youth Organization [KNE] since the time of the dictatorship until March 1979. From then until now he served as KOA secretary. He has been a full member of the Politbureau since 1978, elected by the 10th Congress. He has the confidence of Florakis and also of the "elders", a fact shown by his promotion to the Politbureau despite his youth--he was in his early thirties--and without long service in the highest party organs.

Ordinarily he could have been elected for the first time a member of the Central Committee by the 9th Congress in December 1973. Gondikas is one party

official who has not been embroiled in political conflicts within KKE and so appears acceptable to all "sensitivities"--although some people express doubts about his political talents.

On the other hand, he even has some parliamentary experience: In 1974 he was elected deputy for the Piraeus Second District on the United Left ticket; he was able--thanks to a disciplined channeling of votes by KKE--to receive more votes than other much more prominent leaders of the Left, such as K. Gilinis and Mikis Theodorakis. He was reelected deputy for the Piraeus Second District in 1977 but resigned on July 10, 1978 (after his election to the KKE Politbureau) to devote his time to party duties.

The overall interior restructuring of KKE, as it is being implemented after the 12th Congress, seems to safeguard all those balances which allow the start of the succession process without friction and disputes. Thus, for example, Mimis Androulakis was assigned the responsibility of enlightenment [propaganda] on behalf of the Politbureau--in other words, he is in charge of ideological questions.

In this way certain responsibilities were assigned to him (so no one can say that he is pushed aside) while at the same time a solution was found for the party's ideological matters (which were left leaderless after the death of D. Sarlis) where a lot of work is needed.

Concurrently, Androulakis was kept at some distance from the major party organizations and (in a narrow sense) from party work. Gr. Farakos is in charge of the Central Committee Secretariat, an organ entrusted with the party's daily work and implementation of the decisions issued by the highest party organs. Time will show whether this is a purely honorary post or whether Farakos will form, together with Florakis and Gondikas, a KKE "transitional triumvirate;" especially since the question of the RIZOSPASTIS editorship is not yet resolved.

The fact is that with all these developments (and with some others such as the appointment of Sp. Khalvatzis--an alternate member of the Politbureau and a former KNE secretary--as secretary of the Pireaus Party Organization), KKE's internal reorganization after the 12th Congress is completed. It remains to be seen what will happen in the area of policy (once the intra-party organizational forms crystalize). We must wait until fall with attention focused on the trade unions and the Greek General Confederation of Labor.

. . .

Without fanfare, in a way rather "secret" drastic changes of persons in the KKE leadership have started--changes which may have broader significance to the extent they signify either a change in policy or at least the departure from the party leadership of men who have been associated with other eras or other "political practices."

It is, of course, too early to tell whether these changes mean that the "Gorbachev wind" has also reached KKE headquarters in Perissos, because no one can foretell with certainty what is the real meaning of leadership changes in a party like KKE.

For instance, the departure of Gondikas from the KOA leadership, which is regarded as among the most important posts, is certainly impressive. It is so important that in order to take it over 10 years ago he resigned from the Chamber of Deputies. This change could be interpreted in many ways, since Gondikas is often mentioned as one of the major contenders for the KKE leadership. Does this mean he has been weakened?

Not at all. The opposite is true according to sources which are considered to be well informed. They say this is a step toward the top and that for this reason the post of KOA secretary was given to Ms. Aleka Papariga, "a person very close to him."

On the other hand, others say that Gondikas will not get ahead of Farakos who has claimed the Number 2 spot for quite some time now and wants to take the post of alternate secretary, a post for which others believed Mimis Androulakis was a candidate.

It has been written before (and not only in this column...) that the main problem KKE appeared to have was whether "the battle of succession" will be won, at least in the first stage, by the "new generation" (represented mainly by Gondikas and Androulakis), or by the elders whose main representative was Farakos.

The latest reports--published in this article with understandable reservations--say that Gondikas is winning the race of succession while Farakos will stay in his present post--because, the reports say, the renewal will continue...

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CSO: 3521/0177

**PAPER CRITICIZES USSR FOR 'TAKING LAW INTO OWN HANDS'**

Oslo AFTENPOSTEN in Norwegian 15 Aug 87 p 2

[Editorial: "Soviet Usurpation"]

[Text] This summer too Norway has had repeated reminders of the problems created by our relations with the Soviet Union. After the Kongsberg Vapenfabrikk incident in which representatives of the Soviet government, using underhanded methods, contributed to Norwegian violations of western export regulations and after a continuation of improper behavior toward Norwegian industry, which led to the expulsion of four Soviet officials this summer, we now have the reports that Soviet authorities have taken the law into their own hands with regard to Norwegian research buoys located in international waters in the Barents Sea. Buoys belonging to the Norwegian Polar Institute and the Meteorological Institute as well as the Oil Directorate were involved. Director Knut BJORHEIM of the Meteorological Institute said: "We have reason to believe that the buoys were deliberately removed and destroyed in the Barents Sea."

Soviet ships have been caught in the act of removing Oil Directorate buoys, which were then taken to Murmansk. Just 2 years ago Soviet naval vessels cut a Norwegian seismic cable while studies were being made in the Barents Sea--later the Russians agreed to pay compensation. When Knut Frydenlund was foreign minister Norway experienced a series of episodes in the north that included demonstrations of military force, such as the time Soviet missile tests drove Norwegian research vessels out of sections of the Barents Sea.

This long series of events, especially those that were revealed this summer, indicate a pattern that justifies much greater concern on Norway's part than an evaluation of individual episodes would seem to suggest. The pattern we are seeing raises the question of whether the Soviet leadership is able and willing to enter into an equal and neighborly relationship with a smaller state--or whether the Russian tradition of demanding various degrees of submission along the nation's borders is still predominant in Moscow.

Norwegian parties, no matter what their political orientation, have tried to contribute to an expansion of contacts and cooperation with the Soviet

Union. So far these efforts have produced only limited results because in their conduct toward Norway the Russians have been unwilling in practice to treat their smaller neighbor as an equal, which is the basis for all fruitful relations between independent nations. This has been shown by numerous examples of the Soviets taking the law into their own hands, by the demand for a special "consultation agreement" with Norway and by the absence of Soviet willingness to compromise in the Barents Sea negotiations.

Norway can and should deal with this Soviet attitude by admitting that as yet there is no basis for expanding contacts and then making an effort to maintain the formal and correct relations of a neighboring state--including the official visits that are part of international custom. The Soviet Union can either take the law into its own hands in dealing with Norway or co-operate with us--but it cannot do both at the same time.

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CSO: 3639/88

## PAPER: NONSOCIALISTS SEEN CURRENTLY INCAPABLE OF UNIFYING

Oslo AFTENPOSTEN in Norwegian 6 Aug 87 p 2

[Editorial: "Separate Political Profiles"]

[Text] One result of the nonsocialist collapse early in the summer is that the three former "cooperating parties"--the Conservatives, the Christian People's Party and the Center Party--increasingly want to go their separate ways and profile their own policies. The common goals that helped to form a unified and credible nonsocialist alternative in past elections are no longer on the agenda.

As things stand now, the nonsocialist parties have been given an almost unique opportunity to assert themselves and their own virtues. But what good does it do to talk loudly if the main impression the voters are left with is that the nonsocialists are split and incapable of solving the tasks and problems with which the country is confronted? Although in theory the upcoming municipal and county elections concern local issues, it is not unreasonable to assume that the national political situation could influence the outcome.

After the political fiasco at the conclusion of the spring session of Storting, it is easy to understand that the nonsocialist parties feel a need to take stock and tell the voters what happened. Some will undoubtedly seize the chance to stress the service performed by the Center and the Progressives in ensuring that the Labor Party retained government power. Most of the voters will probably have grasped this point when the next Storting election comes up in 1989, if they have not done so before. For why in the world should someone vote for a (so-called) nonsocialist party that favors a socialist government and socialist policy when decisive votes must be cast?

But in the meantime the nonsocialist parties will "project a sharp profile." In an article in AFTENPOSTEN earlier this summer the chairman of the Christian People's Party, Kjell Magne Bondevik, said that the most important thing now is to look beyond the parliamentary waves and ask what the political challenges are and what visions the various parties have for the development of society. We agree with Bondevik that this is a very important question. But we must make the comment that discussions of this kind are of

very limited value if one is not working energetically at the same time to emphasize one's own policy.

It is still true that none of the former cooperating parties is big enough to be able to determine political developments alone. The way to make an impact with nonsocialist policy involves cooperation--and that is the only way to get anywhere. If one chooses to ignore this basic fact it will lead to frustration and apathy on the part of those who have voted for the non-socialist parties in the past. For they have done so because of a clear desire to promote a nonsocialist development in this country.

The leaders of the nonsocialist parties should weigh the consequences for our parliamentary democracy if the parties neglect their obvious duty to work for viable government alternatives. An opposition that is incapable of shouldering government responsibility effectively helps to erode the administration system that is intended to provide a strong and vital democracy.

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CSO: 3639/88

## COMMENTARY URGES U.S.-USSR COOPERATION IN MIDDLE EAST

35540296b Istanbul CUMHURIYET in Turkish 16 Jul 87 p 3

["Issues in Politics" column by Ergun Balci: "Moscow Takes Leading Role on Middle East Stage"]

[Text] The Soviet-Israeli rapprochement which began with a visit by a Soviet consular delegation to Israel for the first time in 20 years is in fact a new manifestation of the steady progress Moscow has recently made in the Middle East.

Despite U.S. efforts to exclude the Soviet Union from the Middle East, Moscow has become one of the leading players in the Middle East thanks to its quiet but sensible policy.

Moscow has come to realize a fact which the United States has never understood: The Palestinian problem constitutes the root of the Middle East crisis, and no one in the world except the PLO can represent the Palestinians. The United States, Israel and Israel's chief enemy, Syria, have until now tried to deny this reality which Moscow has recognized. While the United States and Israel have labeled the PLO as a terrorist organization, Syria has divided the organization and has formed a group under its own control. However, neither the United States nor Israel nor Syria have been able to find an alternative to the PLO which is led by Yassir 'Arafat. When the PLO was divided, no answer could be found to the question of who will represent the Palestinian people; this has led to an impasse in the Middle East crisis.

The Kremlin has realized that a powerful PLO which can represent the Palestinian people is a necessary condition for progress in efforts to resolve the Middle East problem. With the rise of Mikhail Gorbachev to power, Soviet leaders have also come to accept another reality: If Moscow wants to play an active role in the Middle East peace process it has to improve its relations with Israel and conservative Arab states.

Strengthening the PLO while developing relations with the PLO's mortal enemy, Israel...

Moscow has moved toward these two seemingly antithetical and conflicting goals with great skill.

The Kremlin arranged the reconciliation between Yassir 'Arafat and Popular Front for the Liberation of Palestine leader George Habash and Democratic Front for the Liberation of Palestine leader Nayif Hawatmeh and helped these two leaders to return to the PLO under the leadership of Yassir 'Arafat. Syrian President Hafiz al-Assad was forced to accept this situation under pressure from Moscow. While working to reunite and to bolster the PLO and to overcome Al-Assad's opposition, Moscow successfully pursued its policy of rapprochement with Israel and conservative Arab states. The Kremlin agreed to lease three of its oil tankers to Kuwait to defend that country's oil shipping against Iranian attacks (in response to this development the Reagan administration panicked and agreed to reflag 11 Kuwaiti tankers as American ships) and collaborated with Saudi Arabia to arrange a meeting attended by high-level delegations from Syria and Iraq.

Having reunified and bolstered the PLO, tamed Hafiz al-Assad, developed its relations with pro-American Arab countries such as Kuwait and Saudi Arabia, Moscow has now opened the door for a dialog with Israel.

Members of the Soviet delegation who flew to Israel on Sunday night have stated that the purpose of their visit is only to inquire about the property of the Russian Orthodox Church and the status of Soviet citizens in Israel. But it is obvious that this visit, the first in 20 years, goes far beyond technical issues and is very significant from a political standpoint.

Moscow's proposal for an international conference on the Middle East has found broad support in Arab countries. Meanwhile, in Israel Foreign Minister Simon Peres supports the proposal, but Prime Minister Itzhak Shamir strongly opposes it. The resumption of the dialog between Moscow and Tel Aviv may diminish the suspicions of Israeli and U.S. circles opposed to an international conference.

In conclusion, it would not be wrong to say that the Soviet Union, which has reunified the PLO, established a dialog with Israel and improved its relations with the Arab countries, has reached a position where it can share the leading role with the United States in the Middle East.

If the Reagan administration realizes this fact and moves toward cooperation with Moscow over the Gulf war as well as the Arab-Israeli conflict, it would be taking a sensible step toward the resolution of the Middle East problem.

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## GOVERNMENT STANCE ON KURDS TERMED 'BAD POLICY'

35540296a Istanbul TERECUMAN in Turkish 16 Jul 87 p 3

[ "Showcase" column by Yavuz Donat: "Bad Policy" ]

[Text] The soy bean is a high-nutrition food. Consequently, it is often promoted as a "panacea for all types of problems."

Now we see that this "regional governorship" has become like the soy bean.

The regional governor is supposed to be a remedy for all problems.

It is as if all the problems would end when the regional governor takes office.

The regional governorship program is not a "special formula" which can stop the festering wound of the Southeast from bleeding in 24 hours.

Promoting the regional governorship as a "magic wand" would harm not only the governor himself but also the people of the region and the entire country.

We talked to several of our governors.

They spoke about relations with the gendarmes and their inability to serve in harmony with the gendarmes.

We asked "Why?"

Their answer was:

"We do not employ the gendarmes. They do not receive their annual leave from us. How can an administrator have adequate control over people he does not employ?"

The "reduction of governors' control over the gendarmes" is a product of the 12 September administration.

When this program was implemented the issue was not debated in public.

And today, the "erroneousness" of this decision taken without public debate has been proven.

It is the country that is paying the price.

Now, is the regional governor going to repair years of damage and restore the governors' control over the gendarmes overnight?

It was some time ago.

During an interview with our President, the conversation turned to the "period before and after 12 September."

As well as the incidents in the Southeast.

Our President said at that time:

"These people come, throw a bomb into a house in the village and run away. Men, women, children, everyone in the house gets killed. No one knows when and where these traitors will appear. Consequently, combating them is difficult. These incidents must be distinguished from the pre-12 September period."

Prime Minister Ozal's views on the issue are "similar to Evren's."

Ozal's remarks at his press conference in Diyarbakir are in "100 percent agreement" with Evren's remarks.

Our government has made an "erroneous diagnosis" of the incidents in the Southeast and has implemented an "erroneous treatment."

And this issue has not been opened to public debate.

The ones at the top have let the problem grow to its present proportions by using arguments such as "the ones who are dying are not professors."

Now are they afraid to admit their mistakes?

It is obvious that the bandits who raid villages, who shoot children and who invade cities are acting in a "planned, programmed and well-prepared manner."

Everyone knows that these bandits "live among us."

They kill tiny infants, and at daybreak they come and mourn at the funeral as if they were one of us.

Obviously, it is not the Prime Minister's job to identify these people.

Similarly, during the pre-12 September period it was not the job of the prime minister and the parliament of the time to pursue the terrorists in the street.

This is a task for the intelligence service.

Unfortunately, today even the intelligence service is subject to controversy and wounded.

A governor told us the following on this issue:

"In the past, intelligence agents had infiltrated these bandits. In fact, at one point our intelligence officers had risen to the 'leadership' of terrorist organizations. We would have information about everything. Nowadays, we are having problems in recruiting intelligence officers."

"Why?"

"Because for a while intelligence officers were treated with disdain. Because people who served in that organization were taken to court, were exposed and were turned into targets for terrorists."

Today, the administration still insists that the "Southeast problems not be debated."

Because such a debate is viewed as "politicking over blood."

The country's serious problems cannot be excluded from public debate with such arguments. Otherwise, "this is where they escalate."

Those governing the country place higher priority on raising and consolidating a "wall of bans" against democracy to prevent their predecessors from returning to politics than building a wall of defense against the bandits.

This is what is wrong. This is "bad policy."

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## RESERVISTS' REACTIONS VARY ON FALL MANEUVER PARTICIPATION

36200235 Bonn LOYAL in German Jan 87 pp 11-13

[Article by Lt Col Armin A. Steinkamm (Res), federal secretary and member of the Presidium of the Association of Reservists of the German Bundeswehr: "Experiences Gathered"; first paragraph is LOYAL introduction]

[Text] The reservist association in "Operation Franconian Shield"--a type of "key experience" was the initial impetus for the first deliberate cooperation between troops and the reservist association within the framework of a large army exercise. The former commanding general of the I Corps, Lieutenant General Dr Gerhard Wachter, who had recently retired at his own request from being head of the General Army Office, had invited the author to witness the 1985 "Defiant Saxons" army exercise and gave him the opportunity to pursue problems encountered by reservists.

For purposes of traveling to the "front" the author was assigned a driver who was a private 1st class who turned out to be the manager of a company with limited liabilities which employs several hundred persons and does several million marks in turnover. He had performed his basic military service many years ago. Since he was neither planned for mobilization nor had ever been called up for a military exercise, his call-up notice for the "Defiant Saxons" maneuvers hit him like a lightning bolt out of a clear sky. As indispensable as he felt with respect to his company he at first played with the thought of adopting a uk position until he became increasingly recognized with the idea of being able to get away from the professional treadmill for a couple of weeks on the basis of state orders--which would make the whole thing "credible." The closer the call-up date came the more rosy became the anticipation horizon of the "Defiant Saxons" maneuvers.

He was bitterly disappointed: the private 1st class of the reserves landed in the motor pool of the command staff and was occupied day in and day out in maintaining a shuttle service between the helicopter landing pad, the command staff, and the officers' quarters. During the "journey toward the enemy" with the author he received, for the first time, information regarding the purpose, conduct, and characteristics of the exercise and gained impressions regarding "combat events." Following these days, which were full of experiences for him, he reverted to the "everyday business" through the end of the exercise. "Naturally," he had never heard anything with regard to the reservist

formation. Despite his disappointing exercise experiences he became a member and accepted the finding that, in the final analysis he had only himself to blame for being called up as a private 1st class instead of as an officer or a noncommissioned officer, since he, too, carried a "marshal's baton of the reservist" in his knapsack.

An isolated case? Hardly! During these exercises it was found that a not insignificant number of called-up reservists:

- i. had no information regarding the purpose and conduct or situation development involved in the exercise either before or during the exercise--a factor which can lead to disappointment and demotivation, particularly among interested reservists;
- ii. felt that they had been wrongly assigned, following preliminary and regular training, but were not familiar with the possibilities of being able to refer to an ATN-justified assignment (ATN stands for Military Occupation Specialty);
- iii. were not informed about the considerable promotion possibilities for reservists, particularly through participation in training courses; and
- iv. did not know, or knew only peripherally, of the existence and opportunities at the disposal of the reservist association.

The experiences which were discussed with the commanding general Lt Gen Dr Wachter and Lieutenant General Kasch, who was the plenipotentiary for reservist affairs, during the "Defiant Saxons" maneuvers resulted in a concept calling for establishing a "cell of reservists" during large army exercises whose task would be the examination and testing of the possibilities for dismantling the above-named shortcomings--naturally, in the closest cooperation with the troops.

The first "testing ground" of these thoughts came with the advent of the 1986 "Operation Franconian Shield" maneuvers. Thanks to the commanding general of the III Corps, Lieutenant General Karl Erich Diedrichs, and with the support of the chief of staff, Brigadier General Schaefer, and the G-1 of the III Corps, General Staff Colonel Siebert, the following pilot projects were realized, despite a shortage of time available for preparation:

1. In the No 2 issue of FELDKURIER--the maneuver newspaper of the III Corps, the association was able to create a 2-page insert "by reservists for reservists." The insert contained, among others, a report by Johannes Leclerque entitled "The Sleeping Army Is Being Awakened More Frequently (The Number of Reservists Is Being Doubled--A Burden for the Soldiers of the Reserve as Well as Their Employers)," an interview with the inspector general of the army, a critical view of military justice during military exercises (public service during military exercises favored), hints on contacting the reservist association ("we have good addresses"), as well as a conversation with the association president, Colonel Helmut Moehring (Res) ("neither a traditional association nor a substitute trade union").

In No 3 of FELDKURIER, the author was given the opportunity, within the framework of an interview, of reporting on his impressions regarding the motivation and commitment of exercise participants, as well as on the "pilot projects" of our association.

2. Then there was the "questionnaire action"--clearly unique within the Bundeswehr--and approved by the Ministry of Defense--which pursued the purpose of obtaining information from participating reservists ("Where Does the Shoe Pinch?") and at the same time drew attention to the association. In selected troop components, the two questionnaires were distributed by unit leaders; the first was distributed at the beginning and the second at the end of the military exercise. Although only 398 of the first questionnaires and 275 of the second questionnaires were filled out and were thus available for evaluation--hardly representative of a cross section--the data collected nevertheless provided important information.

Of those questioned, 82.4 percent noted in their first questionnaire that their wife/girl friend was not in favor of calling up reservists for army exercises. Only 12.6 percent were in favor--a factor which can now permit the inference that the "better halves" should not be neglected as a "target group." Interesting insights were provided by the question as to how many military exercises the respondent has participated in or whether contact existed previously with the troop component doing the calling up. Only 18.8 percent of the respondents stated their readiness to participate in military exercises more frequently--and something which should certainly be read in conjunction with this factor--44 percent of the respondents stated that they had experienced professional difficulties as a result of being called up. A further indicator of the importance of beginning a dialogue with the economy lies in the fact that 58.5 percent of the respondents stated that their assignments were commensurate with their military training, but 67.8 percent believed that their assignments had no connection with their professional training, despite the fact that, naturally, the mass of the mobilized positions cannot have equivalent civilian professional qualifications. Thirty percent of the responding reservists stated that their assignments took their wishes into account, 58.5 percent denied this question, and 11.5 percent failed to answer it. The fact that 56.8 percent of the respondents lived less than 50 km from their troop components could have a positive effect on planning practices; 29.9 percent of the respondents lived less than 150 km away from their military components and only 11.6 percent lived more than 150 km away.

In the second questionnaire, 39 percent of the respondents stated their satisfaction with the conduct of the exercise and a satisfying 64 percent confirmed that they were assigned in accordance with their military training. Some 40 percent of the respondents did not feel fulfilled during the exercise--an indication of the importance of "challenging" the called-up reservists. A satisfactory 75 percent of the respondents felt that they had been addressed in a comradely manner and 51 percent confirmed that measures taken by the mobilizing troop component for their integration in the unit accorded with their expectations. The positive tendency is also discernible in that after the exercise--in contrast to the first questionnaire--23 percent of the respondents stated their readiness to volunteer for additional future

military exercises. This fact must be evaluated as satisfactory because 64 percent of the respondents declared that they suffered financial losses as a result of the exercises--an important hint for the legislators and for the administration, as well as a hint in the interest of military fairness in efforts to alleviate this situation. The results of the interrogations were of interest to our association insofar as 70.5 percent of the respondents stated that they had heard something of the reservist association and its tasks and goals, but 24.7 percent answered this question in the negative (4.8 percent failed to answer). Some 60 percent of the respondents had already heard about our association prior to the military exercise, 30 percent had not heard of it, and a satisfactory 33 percent had received information about our association during the exercises (37.8 percent, on the other hand, answered in the negative, and 29.2 percent failed to answer). The share of reservists who had "heard" of the tasks and goals of the association for the first time rose by a good 10 percent during the exercises themselves. This is a result which, in and of itself constitutes joyful confirmation of the pilot projects which are being discussed here.

3. The third project was initiated by the ready unit of the III Corps and by the 4th Military District Command and called for the planning of a "reservist association station" in selected units of the field and territorial army who take on reservists for purposes of army exercises. On their way from the payroll clerk, past the troop doctor, and all the way to the quartermaster store, reservists encountered an information stand of the association, manned by a leader of the organization. The experiences gathered with these stations are varied: support on the part of the selected troop components was noted as positive; the lack of resonance among reservists was negative, with unsatisfactory placement of the information booths, unsuitable information material, or a lack of time and a lack of results were conspicuous. A repetition of this project would only have meaning if conditions could be improved as a result of longer preparation periods within the association and appropriate coordination with the troop components, but also by specifically training the "operators" of the information booths who are organization leaders and suitable organization representatives.

4. The final "pilot project" saw the commitment of Lieutenant Colonel Heiner Hoernschemeyer (Res)--the former organization leader of Area IV--as a liaison officer of the reservist association in the Citizen Information Center. This was based on the thought that the public should be informed on the fellowship of the association of reservists and be told about the goals and conduct of the exercises, in order to utilize this stimulus for recruiting members for the association. As a result of such large-scale exercises, the military always has the opportunity for supporting esprit de corps in the exercise area--be it through suitable referents who report on the exercises themselves, through demonstrations, or even through providing a music group to entertain at benefit and information events. Over and above that, the use of association members in the Citizen Information Center is also meaningful within the framework of publicity work because particular opportunities exist here for our association to engage in recruiting. Hoernschemeyer gathered first experiences here and their evaluation permits the expectation that close cooperation between the association and the regular troops will open up

meaningful publicity work opportunities in the course of large-scale exercises of the army within the framework of the Citizen Information Center.

In summary, it can be stated that new ways which were initiated by the "pilot projects" have indicated hitherto unutilized opportunities with respect to reservist work. The hope of being able to convert the experiences gathered as a result of the large army exercises of 1987 and of being able to gather additional experiences is connected with thanks for the support rendered by the III Corps and the 4th Military District Command. The commanding general of the II Corps, Lieutenant General Werner Lange, has already agreed to support our association in his efforts.

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## PROGRESS CLAIMED IN TRAINING OF RESERVIST UNIT INSTRUCTORS

36200236 Bonn LOYAL in German Jan 87 pp 18-19

[Article by Wolf-Hartmut Reckzeh: "Successful Reservist Instructors"]

[Text] As LOYAL reported in the October issue, the first instructors of reservists from Military District III, who are being qualified at Combat Troop School No 1 in instructing trainees in community and house-to-house combat, are working on the concept of enriching the instructive material still further in a three-part weekend training course. They have now been able to register their first success with the conclusion of the third phase.

Defense District Command 31, which had already supported the two first training phases dealing with assaults upon buildings and defense of buildings has also approved the third phase entitled "Advancing Along Streets and Overcoming of Obstacles."

For this purpose not only participants of the previous two training phases came to Euskirchen in October to the Major General Baron von Gersdorff barracks. New course participants also showed up. They were rapidly integrated.

Where the first action terrain in April involved the presence of trainees in a built-up community and the second objective in September involved an old brickyard, this time training took place in a part of the barracks complex originally utilized by the Belgian allies.

The course participants were instructed with respect to the training project immediately after they arrived. Instruction centered on a training film dealing with community and house-to-house combat. It made the transition from work assignments to instruction materials easier, helped recall material which was already known clearly, and resulted in questions dealing with new materials. The training officers themselves tested their knowledge subsequently at the sandbox and made their preparations for the topics due to be dealt with the next day.

The next day, course participants were required to do early morning warmup exercises and fitness training, in accordance with the action plan. During that period, the training officers set up the various stations. At 0815

hours, course participants were ready for practical instruction in the area between the quarters and the motor pool in the abandoned barracks complex. Thereafter, training was accomplished in groups, which alternated between the stations designated as "advancing along streets," "cutting of wire obstacles," and "blowing wire obstacles." The training officers skillfully combined elements of repetition with new topics. This training phase was characterized by demonstration, correction of trainee actions, and rapid changes within the groups, so that each participant was compelled to check out each function of his group and his squad. The giving of orders improved in a disciplined manner and with commitment and shortcomings in execution were eliminated until all had mastered the principles of the content of the training.

After lunch, the hour of truth struck for instructors and trainees. Repeat training was the order of the day. They were to prove the knowledge acquired in the two previous training phases in three prepared stations. They were required to penetrate into a building at ground level and through the second story, using a grappling hook, as well as to fight up the stairs and from room to room. The assigned group leaders started to sweat. The assault squads had to be selected, protective fire had to be organized, and the movement coordinated. With great skill and commitment, all difficulties involved in this task were mastered. Particularly, penetration into the window, which was located more than 4 meters off the ground, required courage, strength, and speed.

In the presence of the commandant of Combat Troop School No 1, Brigadier General Fuhr, new soldiers, who had participated in all three training phases, were able to qualify for extensive testing at Hammelburg. Eight participants, who accepted this challenge, have since been made into instructors.

This has accomplished yet another step in realizing the concept of training of reservists by reservists. Furthermore, it marks the beginning of the formation of a cadre of training officers which the defense district commands can utilize within the framework of planning military requirements. This would far exceed the purpose of the existing reservist conception which aims to maintain or expand basic knowledge in individual cases through the implementation of military patrols or comparable individual training exercises. And it has also resulted in a new substantial value standing of the recognized training within the framework of reservist training.

Accordingly, it was possible to report to Colonel Boeser, who is the commander responsible for authorizing community and house-to-house training in Defense District 31, that the 17 participants of this training project were available for the above period. Their goal is also to earn training officer status. Duty officer Lieutenant Colonel Zech, who is Col Boeser's deputy, became convinced on the spot of the participant's will to perform.

The commander of Home Guard Brigade 53--Colonel Glatt--who facilitated the provision of the infrastructure framework for purposes of the project by the 535th Field Artillery Battalion, evaluated the performances from the standpoint of motivation and the best possible commitment. He can surely be agreed with when it comes to the fact that many individual initiatives in the area of reservist training are urgently in need of coordination. In

accordance with the training start which was selected here, these initiatives have to lie within the structured total training for soldiers of the territorial army who have not yet been initiated into the tasks of protecting areas or objectives because, for the most part, they are attached to units which must be mobilized.

One consideration which lies close to the meaning of the word must be taken into account: it must be possible to conduct training "in front of the gate" so to speak. This would save time-robbing journeys and the training facilities would be more realistic. The difficulties connected with this must not be underestimated. In the case at hand, a new training installation would have to be reconnoitered for each training sector; approvals would have to be sought and training plans drawn up. In this respect, special thanks are due to the commandant of the Engelskirchen ammunition depot, Captain Stickling, as well as the commandant of the 535th Field Artillery Battalion, Lieutenant Colonel Doerries, who provided infrastructure support for the various training sectors. All such support, which cannot be valued enough, represents additional stress for the active troops, over and above their official duties--something which surely cannot be constantly required of them.

Irrespective of the examination of this question, a permanent training facility on the level of the defense district command would be helpful here. However, this presupposes that the training concept will be continued, perhaps even utilizing some of its expansion opportunities. Results to date are promising in any event and should provide the impetus for future considerations.

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## TRAINING OF RESERVE MEDICS LAGS DESPITE CRITICAL WARTIME ROLE

36200233 Bonn LOYAL in German Jan 87 pp 24-25

[Article by Dr Horst Macha: "Health Care in Reserve"; first paragraph is LOYAL introduction]

[Text] Rarely is anything heard with regard to the mobilization of reservists whose commitment as medical corpsmen is planned. But even they must be masters of their mission on short notice in the event of a defensive operation. Even if medical officers generally do not "get out of practice" as a result of their civilian activities, they find a totally different scenario in military action to which they and medics of all service ranks must adapt in their cooperation. Dr Horst Macha, an anesthetist and ear, nose, and throat physician who is also a senior field physician of the reserves has some thoughts about the situation among the reservists in the medical service of the Bundeswehr.

"During war, rapid and comprehensive medical support for the armed forces is of extraordinary significance with respect to the action readiness and the morale of the fighting troops.... Over and above supporting the armed forces, the medical service of the Bundeswehr will also assist the populace with its forces and means wherever this is possible." This is the manner in which the White Book of 1985, entitled "On the Situation and Development of the Bundeswehr," characterizes the mission of the medical service. In order for this goal to be achieved much practice is required in the medical service area.

In crisis or defensive situations, the working conditions faced by medics of all ranks are likely to be quite different from those to which they are accustomed in the civilian sector. The active medical service is challenged quite differently in peacetime than during a crisis, which might demand creative improvisation based on structure and on the actual mission to be accomplished. And this cannot be a temporizing matter.

But let us return once more briefly to the 1985 White Book: "In peacetime, reservists contribute to a high degree of action readiness of the armed forces by participating in military exercises. In the event of tensions or in the event of a defensive operation, they facilitate the rapid and smooth escalation toward wartime strength." Thus, at present, some 762,000

reservists are firmly in the plan; over the next few years this number will increase by 90,000 more, who are required within the framework of Wartime Host Nation Support to support the allied troops. For 1987, the wartime strength of our Bundeswehr will amount to 1.34 million men. In this number--and this is most likely unique among all armies of the world--every 10th soldier is in the medical service. The medical service represents the one "arm of service" which has the strongest cadre.

It is particularly to the medical service that another passage in the 1985 White Book applies: "Quantitatively, the requirement (for reservists) can be covered; qualitatively, there are currently still some shortcomings because, at present, not all reservists are being trained during their active duty tours for subsequent action functions." Consequently, more military exercises are irrefutably needed even for the medical service. The well-trained tank soldier is certainly not a suitable assistant anesthetist, at least not during the initial stages. However, this is also applicable in reverse. A few thoughts on military exercise statistics: if one considers the number of military exercise days from 1983 and compares them to those for 1984, one discerns a clearly rising tendency. However, completely different conditions are seen if one regards the medical service area: in 1983, this area registered 139 participants in military exercises, whereas in 1984, the number of reservists participating in such exercises declined to 110. These numbers are likely correct. Just the requirement that, in the coming years, the significance of reservists for troop components of the Bundeswehr will increase further requires that reservists must be more in demand in order to diminish plan shortfalls. The general problem of reservists naturally is felt particularly strongly in the medical service.

The organization of the medical service and medical support for the troops in peacetime are generally known and every soldier has had numerous contacts with it during his active duty time. However, what is less well known is that in the event of a defensive operation, stationary health care facilities would have to undergo a virtually gigantic buildup. The 128,000 medics planned for the eventuality of a defensive operation would not only have to handle the 3,580 beds in the 12 Bundeswehr hospitals. As a mighty challenge--based almost on no personnel strength--some 76 "200-bed field hospitals," which are mobile, and 160 reserve hospital groups, each numbering 1,000 beds, as well as the appropriate medical support (surgery, anesthesiology, internal medicine, laboratory, X-ray, etc.) are to be provided and would be housed in barracks and in other permanent structures.

Overall, at least on paper, some 180,570 beds are to be supported by reservists (physicians, male nurses, medical auxiliary personnel, as well as voluntary female nurses). This is an almost unimaginable task.

The key to the solution of this problem surely lies in an increased number of mobilization exercises. After all, they are primarily intended to train troop components which would, in peacetime, be operated as equipment units with the minimum number of personnel--in other words, the reserve hospital groups and the 200-bed field hospitals. And it is precisely here that personnel continuity is of extraordinary significance with respect to effective operation.

As a mobilization-planned anesthetist with the 7602d Reserve Field Hospital Group--in other words, 1 of the 160 permanent "large hospitals"--I had contact with this group within the framework of an official event in the fall of 1984. It brought me the knowledge that, in the event of a defensive operation, the troops relied heavily on the reserve field hospital organizations. On the other hand, this means that, in the event of combat operations, the 7602d would have to count on an influx of about 100 mostly heavily injured soldiers per day. This would likely mean a lightning start with respect to the function capabilities inherent in the "large hospital."

The 7602d Reserve Field Hospital Group operates out of the health care school of the Luftwaffe at Klingholz near Wuerzburg. And the 12th Tank Division at Veitschheim sees this group as one of its medical support centers during crisis periods.

In April 1986, this medical group underwent a 1-week mobilization outline exercise involving its command and function personnel at the 850th Medical Training Center at Friedrichshafen. The exercise was participated in by 12 medical officers, including a pharmacist, 2 specialists, and 18 noncommissioned officers.

This exercise was designed to test the action-readiness of a field hospital group. The high point of the exercise was an orientation and night march in small groups, which was the result of group initiative, which took place completely during cloudbursts and thunderstorms--the first of the meteorological year along the Bodensee. It was precisely here that the action willingness and tenacity of the medics was demonstrated. The exercise strongly promoted the feeling of belonging together and was a full success for the participants. Unfortunately, it also uncovered a few organizational shortcomings. It turned out that the period of 3 years between planned mobilization exercises for the reserve field hospital group was clearly too long.

The latest joint weekend exercise for the 7602d Reserve Field Hospital Group took place in October once more at Klingholz. It encompassed "military topics"--indoctrination into the STAN [Table of Organization and Equipment] weapon of medical personnel, indoctrination in the use of the P-1 pistol, and a firing exercise. This exercise was also participated in by comrades from the U.S. hospital at Wuerzburg, participants from which included the head nurse of the hospital. The personnel from the medics school of the Luftwaffe had prepared and carried out the exercise at the firing range in Unterduerrbach near Wuerzburg with great elan.

On the next day, the plan included a visit to the U.S. hospital at Wuerzburg. The commandant, Colonel John Cutting, a physician for preventive medicine and epidemiology--it is roughly equivalent to our public health service--gave an introduction dealing with the organization and mission of the U.S. medical service. Currently, this hospital has 32 active physicians who treat some 30,000 American soldiers and their family members monthly, predominantly on an ambulatory basis. The focal point is general medical support.

The visit, which was concluded by making rounds at the hospital, signaled the end of this mobilization exercise. The visit showed how important information regarding the structure and work methods of the allies in the medical area is for Bundeswehr medical personnel in view of any potential cooperation between the two organizations in the event of war.

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## OPTRONIC GROUND TARGET ACQUISITION SYSTEMS UNDER DEVELOPMENT

Bonn WEHRTECHNIK in German Mar 87 pp 94, 95

[Article by Wolfgang Flume: "Optronic Target Acquisition Systems for Artillery: The BWB Is 'Building'" ]

[Text] For years the German army artillery has been making efforts to increase its fire power. Among other things, this includes the introduction of new rocket artillery--200 MLRS systems are being acquired--but in particular a buildup of guidance and fire control systems and of optronic target acquisition equipment. The objective is to counter the greatly increased threat during the past few years--discernible in the substantial increase in the number of self-propelled howitzers, for example, by the Warsaw Pact--with more accurate and therefore more effective fire power. The burst of fire should immediately strike the target; then the battery should shift position: good mobility is the best protection against being intercepted. Necessary for accurate firing, however, is very precise target acquisition and rapid transmission of the target coordinates to the fire direction center. In the future, the field artillery forward observer will be equipped with a special, portable target acquisition device. The BWB (Federal Office of Military Technology and Procurement) is currently testing three different models of this device.

Several years ago already there was a preliminary development for this kind of a target acquisition device--for various reasons this development was not pursued. The demand remained, however, and a few years ago the BWB urged German industry to pursue new development efforts on this device--in the spirit of the times, naturally, using their own financing. Three groups of companies accepted the challenge, not only in anticipation of the army contract but also in hope of future exports.

The basic requirement of the target acquisition device is to determine as accurately as possible within approximately 20 m the coordinates of a target up to 20 km away. The distance to the target is determined using an optically safe laser distance meter, and the direction required to reach the target is determined using a north-seeking gyro. The target coordinates in UTM are then transmitted via a data link to the appropriate fire direction centers using a data input device. The forward observer determines his own position by resecting, i.e. tracking his own position via known coordinates.

The three devices from Bodenseewerk-Geraetetechnik, LITEF and Telemit now competing with one another are very similar in terms of meeting these requirements. In addition to the optically safe laser distance meter, they all have a north-seeking gyro, a microprocessor (for calculating the coordinates), an aiming circle, a data input/output device, and a connection for radio transmission of the data (this modem is already integrated into the LITEF device). Everything is relatively compact and can be set up by two soldiers on a tripod away from the forward observer's vehicle (a modified, former gun-equipped tank destroyer) or on the vehicle itself; it is thought that the device could possibly be mounted in the vehicle on a kind of raisable platform.

These companies have developed the devices in part in cooperation with other firms. Bodenseewerk-Geraetetechnik (BGT), which produced the north-seeking gyro, is therefore cooperating with Wild (for the measuring unit) and Elro for the laser distance meter, while Telemit is cooperating with Teldix for the north-seeking gyro--only LITEF has developed all components by itself, the laser distance meter, for example, based on a license agreement with America. In accordance with company "tradition," the technology being used in the different subassemblies varies. BGT, for example, is using a strap-suspended north-seeking gyro, Teldix a gas-bearing gyro and LITEF a strap-down K-273 gyro with two accelerometers. Each version has its advantages and disadvantages: Compared to the strap-down version the other two gyros are more accurate, but on the other hand they require a fine horizontal adjustment. Moreover, a strap-down gyro is good to use on vehicles with running motors because the vibrations can be filtered out electronically.

The devices will likely cost in the neighborhood of approximately DM 100,000. Since the German army needs about 1000 of them and the companies have each spent several million marks on development, the competition is extremely fierce. The BWB has bought some of the devices for trial use and has requested price quotes from the companies even before selecting which technology they will use. It is therefore assumed that the winner will be selected by the so-called "bazaar method": The device which is best in terms of its technology is selected, however the company must go along with the price of the lowest bidder. In other words the BWB is flagrantly using its monopolistic position--according to the "original soundtrack" of the military technology industry, not just in this case. WEHRTECHNIK is also affected by this monopolistic situation. An article on the topic of an optronic target acquisition device which was requested of the party responsible for this area at the BWB went unwritten despite verbal assurances that it would be. In addition, the industry was muzzled by means of a telex (". . . not suitable for publication in periodicals at this time. . ."). And this involved devices which had already been displayed at exhibitions as developments of the firms involved.

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## U.S. BASES' ISSUE VIEWED FROM VARIOUS ASPECTS

## No Influence Seen on National Affairs

Athens KYRIAKATIKI ELEVTHEROTYPIA in Greek 2 Aug 87 p 9

[Article by Potis Paraskevopoulos: "Greek Society Not Influenced by Bases' Hubbub"]

[Excerpts] Greek society never wasted nor is it now wasting sleep thinking about the American bases. The Greeks have their own interests and their concerns are not affected by the presence or absence of the bases. There are so many other aspects of interdependence and foreign influences that the question of the bases affects social developments very little.

The Greek people do not relate their future to the future of the American bases. The parties which have governed this country were never judged by their stand on the bases. They have been judged on their policies for the progress of Greek society.

If the party leaders ever understand this, the issue of the bases will be seen in its proper dimensions and it will be possible to find a solution through a national consensus and leave it out of political competition.

The future of the bases in Greece is mainly tied to the strategic balance of the two superpowers in this part of the Mediterranean. This is also shown by the Soviet's interest in their fate. This is the reason Soviet leader Mikhail Gorbachev in his letter to Premier Andreas Papandreu addresses the subject as a matter of reciprocity between the two superpowers. He sees it as a problem of international peace.

Connection of the bases with our national issues is only indirect. It is a consequence of the blackmail possibility the Americans have in controlling the balance of Greek-Turkish forces in the Aegean, and thus affect the Turkish threat against Greece and Cyprus. It is a connection imposed on us by the Americans themselves to prevent us from resisting their strategic objectives in this part of the Mediterranean; to have us tied in some way to the strategic system of balance between the two superpowers in the name of our national interests.

This, in our view, is the true dimension of the problem of the American bases. Therefore, on the basis of this assessment both the PASOK government and the New Democracy Party correctly tie the question of the future of the bases to securing concessions in our national concerns. They ask these concessions from the Americans who have made them a necessary precondition for retention of their bases in our country. The mutual interest invoked by the Americans is just that, and it is their own blackmailing creation.

These reasons exclude the issue of the bases from the political antagonism of the parties. Anyone who will try the opposite will be left with the bitter taste of a harmful absence from a national effort to solve the problem with the highest possible benefits for our country. Therefore, it is necessary to have a national consensus on the future of the bases. Both the leadership of PASOK and ND appear to have understood this.

The government and ND agreed that the bases will remain on Greek soil provided the Americans hold back Turkish expansionism in the Aegean and on Cyprus. This is a significant development because it leaves the serious problem of Greek-American relations outside the political antagonism of the two major parties, and facilitates the government's search for better solutions regarding our national interests.

#### Nc Agreement Before Elections

Athens KYRIAKATIKI ELEVTHEROTYPIA in Greek 2 Aug 87 p 48

[Article by Panos Zoukakos: "First the Elections, Then the Agreement"]

[Text] Even before the official opening of Greek-American negotiations on the bases, even before the beginning of substantive talks or the resolution of procedural questions, it is becoming visible on the horizon that it will be difficult if not impossible for the present government to sign an agreement prior to the next election.

This is because all that preceded the Armacost visit to Athens and all that became public since indicate clearly that an unbridgeable gap exists between Athens and Washington. Thus far, it is very unlikely that substantial developments will occur on the question of the bases prior to the next parliamentary elections. This issue will have to be resolved by the government in power after these elections.

In the meantime, one should not expect any "spectacular" gestures on the Greek side. Simply, the existing agreement will continue to be in effect, enabling the Americans to operate their bases until December 1988 and start procedures for their removal, which will last for 17 months, i.e., until May 1990.

It is naive to expect that the bases, which will be under consideration for removal prior to the elections, will finally be removed no matter when the elections take place and no matter which party wins.

Now the way things develop it will be very difficult for Papandreu and his government to sign a new agreement prior to the elections for the following reasons:

First, because the premier repeatedly and publicly has connected the question of the bases with the situation in the Aegean and on Cyprus. But the American side categorically rejects this connection. Washington does not appear to be willing to displease Ankara in order to now sign a new agreement.

Second, because Papandreu has publicly committed himself to conduct a plebiscite if the negotiations result in an agreement which "will safeguard the major national interests" and "will mean something very significant for the Greek people."

But if Michael Armacost made anything clear during his visit it was that the new agreement cannot go beyond the framework of close bilateral relations between Athens and Washington and deal with precisely those issues Papandreu established as a precondition for the signing of a new agreement.

It is obvious that, at this time, both sides face serious problems which they cannot solve in order to move ahead with the signing of an agreement. Washington cannot accept the Greek demands because their acceptance would mean an automatic crisis in American-Turkish relations. Today, Ankara is the most important strategic pawn for the U.S., both in this part of the Mediterranean and the Middle East. In other words, the American government cannot jeopardize its relations with Turkey in order to sign an agreement acceptable to Athens as Papandreu has publicly defined it.

On the other hand, the Greek government cannot sign and submit for a referendum an agreement which will substantially differ from its publicly stated positions, otherwise it will be devastated in the next election, losing a large percentage of its leftist voters

The current status of the economy is such and its prospects for the immediate future so dark, but also the inability of the government to solve other major daily problems is so obvious that PASOK has no alternative but to use the so-called "national issues" as its major electoral theme in the next parliamentary elections. But if a referendum is called prior to the elections, and in this referendum PASOK supports an agreement similar to that signed in 1983, then it is certain that it will lose this trump card as well.

Of course it is always difficult for one to forecast the moves and reactions of Papandreu. But until today his public statements and commitments show that most likely he does not wish the signing of an agreement at least before the elections. After that, "we'll see..." In any event, the bases will be here until May 1990. In other words, not reaching an agreement does not mean an automatic rupture in Greek-American relations.

All these political maneuvers by Papandreu have a reason: The signing of a new agreement with the U.S. would cause a serious reaction on the part of

the Communist Party which will accuse the government of reneging on its commitments. No doubt similar reactions would come from PASOK's Left wing which since 1983--when the existing agreement was signed--have come to believe that "the struggle has succeeded--the bases are going."

Therefore, the line followed today by Papandreu toward the U.S. has its own logic. He knows better than anyone else that the conditions he has set for signing an agreement cannot be met by Washington. At the same time he knows he must start talks with the U.S. in order not to appear as "sabotaging" Greek-American relations. Finally, he knows he cannot sign an agreement before the elections because this will have tremendous political cost domestically.

So the talks will start and continue for some time. But it will be difficult to come to a final conclusion prior to the elections whenever they take place. But whatever government comes out of the elections, whether a PASOK or ND government, it will quickly begin negotiations and even more quickly sign the agreement for the bases.

#### ND Concurrence Not Ensured

Athens I KATHIMERINI in Greek 9-10 Aug 87 pp 1, 2

[Article by Nikos Simos: "ND's Stand on Bases Not Assured"]

[Text] The toning down of the Greek-American crisis--which ended as simply as it started--does not put Washington at ease because the Americans fear different types of complications on the question of the bases. In the context of their concern, one must evaluate their contribution to the slackening of the recent crisis.

The Americans relate the possibility of other complications to the referendum announced by Premier Papandreu. This in spite of the fact that when the premier spoke about the referendum, Washington's reaction was so mild that some had the impression--there exist relevant reports on this--that certain decision centers in Washington already knew about the Papandreu maneuver.

Perhaps they even favored such a move influenced by the similar Spanish move with regard to NATO. But in this reasoning they had left out or--to be exact--had erroneously evaluated another factor. They considered as a fact that the position of ND would be unreservedly in favor of keeping the bases. This cannot be considered as certain, especially after Mitsotakis' public statement to the effect that the stand of ND would be determined by the content of the Greek-American agreement.

Certainly, ND, a liberal party loyal to the ideological principles of the Western world, is not against defensive cooperation with the U.S. Besides, how could a negative stand be convincing when the socialists themselves have created a complex of greater economic and military dependence on the U.S.?

However, ND's disagreement appears to be influenced by the tactic the government will use--on the basis of the information it has--in presenting to the Greek people the question of the bases. Moreover, the disagreement is dictated by a specific political strategy. More specifically:

1. ND correctly assumes that the Papandreu government and the premier himself wishes the stay for various reasons. This means that in order to have a positive result in the referendum he must "sell" the content of the agreement in a way which (a) will convince the public that the government has secured advantages and economic gains another government would have been unable to achieve, and (b) give the assurance that beyond these serious gains the country's security from any outside threat is assured.

This means that the question to be posed before the people will not seek a simple "yes" or "no" decision on the bases. It will have to be preceded by the foregoing information.

ND's reaction is centered exactly on this point. Specifically, it is possible that ND will urge the people to reject not the bases but "the bad and least beneficial agreement for the national interests PASOK has signed," and will present as a model its own agreement, comparing article by article.

This means that ND followers will have every reason to consider ND's "advice" as an added form of reaction against the government on the question posed in the referendum.

2. The domestic political expediency dictating this position to ND is the fact that on questions of foreign policy Papandreu enjoys public acceptance. This fact was ascertained by a poll conducted by ND itself. This means that throughout the long electoral campaign ND should not consider foreign policy issues as a suitable area for confrontation.

However, through the referendum the government itself offers ND the opportunity to express serious opposition even though at this point the partisan expediency seems to prevail over the general good. ND's excuse is that in the past also, the government assured the bases would stay in Greece, but through an agreement of submission.

Washington is particularly worried about such a possibility. This scepticism was revealed indirectly but clearly by the U.S. ambassador in Athens to a Greek-American businessman with substantial connections to Congress. Ambassador Kealy has already reported these concerns to Washington, and one should not rule out some official moves toward ND in the near future, precisely because of these concerns.

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CSO: 3521/0171

**UNIMPLEMENTED 'SCANDALOUS' AIRCRAFT PARTS SALE DENOUNCED**

Athens ANDI in Greek 31 Jul 87 p 19

[Text] Today, we bring to light a new scandal in the Air Force, or, more accurately, an "almost scandal" because the threat of revelations forced the culprits to quickly cover up. It's worth looking into because it is, we think, a fraud of the first magnitude in world annals.

Even the "horror stories" which rocked the U.S. Air Force last year concerning bad management of spare parts purchases pale before the fraud attempted in our Air Force. The USAF scandal led, of course, to the "retirement" of many Air Force generals following personal intervention by President Reagan and Congressional hearings.

Here, however, the case was covered up and the defense minister himself hastened to move in before the scandal got out of control. Is the difference in treatment due to the qualitative difference of the two democracies, the one beyond the Atlantic and the other south of the Balkans? Or is it due to the fact that behind this case, as in cases previously revealed by ANDI, are hidden the very same persons who have the "personal confidence" of Deputy Minister Stathis according to what he himself has been saying?

**A Greek Horror Story**

In May and October 1986, the Greek Air Force, with the approval of its General Staff, announced an international bidding for the sale of "old and useless materiel" as it was called. Up to this point, there was nothing wrong. But as we read the announcement--which we have in our hands--we discover certain very important facts:

--The initial procurement of the materiel cost around 200 million dollars. If we assume that the materiel was purchased 7-8 years ago, its present value must exceed 500 million dollars or 70 billion drachmas.

--The materiel consists of 25 million aircraft spare parts of all types, electronic systems, missiles, etc.

We are flabbergasted at this point and ask the minister of national defense to tell us:

a. How is it possible to have such a "surplus" of 25 million pieces of materiel relating to weapons systems which are currently still operational?

b. What accounting or other irresponsible or even suspicious procedures created this tremendous surplus worth 70 billion drachmas? This amount is equal to the cost of rerouting the Akhelous River in 20 years or to the money needed by the universities for the next 50 years, or half of what the cost would be for the "purchase of the century."

By what logic is this tremendous property of the Greek people, purchased with their blood and savings, being sold at one-thousandth of its value--at 70 million drachmas, instead of 70 billion?

At some point through the bidding procedure something about the gigantic scam was leaked, and this raised a general and broad interpolation in the Chamber of Deputies. This fact, coupled with press investigations, forced the protagonists of the scandal to postpone final bidding until a more appropriate time. The only thing given the press was a brief statement by Defense Minister Giannis Kharalambopoulos:

"The sale of old or useless Air Force materiel will take place provided the prices are advantageous to the state. The first bidding was conducted in May 1986 and the best offer was one with which the second bidding started (i.e., 70 million drachmas). Again, the sale will not be finalized unless prices acceptable to the state are achieved. This materiel, which was initially purchased for 200 million dollars, is no longer in use because it is considered obsolete."

It appears that for the second time since the DIAS case, Kharalambopoulos is the victim of misinformation or deliberate deceit. We have in our hands Report No F420/000/E620/S159/19.3.87 by a recently retired Air Force major general as well as lists of the materiel which was sold as useless and obsolete. These two documents clearly show that:

--Fifty five percent of the materiel consists of new aircraft spare parts which are of immediate use and which today are bought for gold. Many of these parts are suitable for the T-33/MK-111 aircraft, and right at this moment there are purchase orders signed to buy them all over again!

--This supposed "junk" includes all spare parts for the Skycraft anti-aircraft system which has just been delivered and in no way can be considered surplus.

--The lot includes spare parts of electronic systems recently acquired by the Air Force, 80 percent of which, at least, covers its vital needs.

--The aforementioned report states that there is no way such valuable materiel can be regarded as surplus or obsolete because Presidential Decree G-201/85 is violated. In other words, the bidding was illegal.

In light of all this, even the least informed reader cannot help but realize that "certain people" tried to sell for peanuts materiel the Air Force can desperately use today.

One can find two reasons only for such action on their part: They tried to sell off the materiel either in order to sell it over again for gold, or in order to empty the Air Force warehouses so the notorious and well-known "representatives" of weapons manufacturers would be able to sell to the Air Force new materiel and pocket their commissions. Or a third scenario is at play and the useless materiel is destined for the Middle East or Iran.

It should be noted that a few years ago the Iraquis found in the wreckage of an Iranian Phantom, labels indicating that the parts were initially sold to the Greek Air Force through American aid.

At this point we think it is necessary once again to pose certain questions to the vice premier and minister of defense:

--If those who steal a few uniforms or a couple of revolvers are tried and sentenced to heavy penalties, what should be done to those who tried to empty all the warehouses of the Air Force?

--Which active and retired chiefs and generals covered up this fraud with their signatures and persuaded you to repeat the bidding with better terms? There is no excuse for ignorance on their part for the following reasons:

- a. Even ignorant persons like us can see that the items being sold are anything but junk.
- b. If they are incapable of evaluating properly materiel worth tens of billions--and they are trained and paid to do so--then they are not only unfit but also dangerous.

We anticipate the usual silence for an answer.

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CSO: 3521/0172

## NEW REGULATIONS ON ARMY SPECIALISTS' SERVICE

Athens TO VIMA in Greek 8 Aug 87 p 16

[Article by Nikos Khasopoulos: "More Selective Is the Transfer of Servicemen From Island Unity"]

[Text] Draftees will not be transferred automatically to urban centers from the island and frontier posts even when they have completed 14 months of service there. Henceforth, any such transfers will be based on the draftee's specialty.

The decision, according to VIMA reports, was made by the Chief of the Army General Staff Lt. General Velidis and comes to complete an older decision which stated that draftees must serve 14 of their 24 months of service on the islands or frontier posts.

On the basis of the new decision, draftees who have completed 14 months will not automatically return to Athens or other urban centers, but will be reevaluated according to their specialization. If their specialty is necessary to their unit they will have to stay beyond the 14th month. This is the first time such a decision has been made. It is designed to assure the manning of frontier units so they can deal with any possible threat.

According to military sources, the Army General Staff is endeavoring to have frontier units manned with all specialties up to 95 percent of requirements. This is achieved with cooperation of the local population as well.

[It is noted that Turkish frontier units and especially those stationed opposite our country are manned up to 85 percent in all specialties. The recent crisis in the Aegean showed that our frontier units can be satisfactorily manned in a few hours, in cooperation, of course, with the local population.]

In the meantime, according to an Army General Staff officer, the order of General Velidis is being implemented religiously. In the recent transfer, the overwhelming majority of new draftees were transferred (after completing their specialization) to units in Northern Greece and the islands. In spite of objections, mostly from parents, all transfers to the frontiers were carried out without problems.

At the same time, the Defense Ministry has prepared plans to thin out the number of officers serving on the staffs. By decision of Minister I. Kharalambopoulos, many officers will be transferred from their staff positions to fighting units. Kharalambopoulos often says that "the war of 1940, a victorious war, was carried by a staff of 40 officers."

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CSO: 3521/0172

## BRIEFS

USSR REACTION TO BASE TRANSFER--The Soviet Union is threatening Portugal with "retaliatory measures" if the F-16's, presently stationed near Madrid, are transferred to Portuguese bases. In an article published by NOVOSTI, Major General Simonian of the Soviet Armed Forces states that "military confrontation is a reciprocal process involving possible action between two parties" and that the Soviet Union would take steps against Portugal if the transfer were made. The major general also believes that the stationing of the F-16's on Portuguese territory at the service of the Atlantic Alliance will foster anti-Sovietism in Portugal through reference to the "Soviet threat." The Russian general also makes a number of "appeals" to the Portuguese Government to reject the transfer, contending that the F-16's could be used in the case of war in the Mediterranean area. A Portuguese source contacted by TEMPO said that the F-16 mission is directly concerned with providing security to the southern flank of the Atlantic Alliance and that this Soviet attitude is part of the strategy of pressure applied to the Western countries as widely practiced by Moscow. The same source expressed a certain amount of bewilderment, since "we were dealing directly with a general" and "it is not very clear what Moscow wants" inasmuch as it does not appear that the president of the republic or administration are affected by such obvious pressure on a sovereign state which we still happen to be." /Excerpt/  
/35420123 Lisbon TEMPO in Portuguese 20 Aug 87 p 87 /Article by J.M./

8568

SWEDEN

MILITARY

NEWSPAPER, OFFICERS ASSESS SUB HUNT

ASW Force Ill Suited

36500185 Stockholm SVENSKA DAGBLADET in Swedish 24 Jul 87 p 8

[Debate Article by Lars Hansson: "Brigadier General Lars Hansson Comments on the Latest Sub Hunt: 'What Do We Learn From Torefjarden?'" ]

[Text] Brigadier General Lars Hansson has been, among other things, the Chief of the Stockholm Coast Artillery Defense with the Waxholm Coast Artillery Regiment. Previous contribution: Bengt Gustafsson, 7/1; Carl Bildt 7/2; Olle Wastberg 7/8 and Hans von Hofsten 7/15.

The submarine incident in Torefjarden has now been ongoing for 3 weeks. It occurred--quite conveniently, one might think--several days after I, in an interview on June 28 with Roger Magnergard of the SVENSKA DAGBLADET, had the opportunity to express several critical viewpoints concerning the information policy pursued by the Supreme Commander of the Armed Forces [OB] in the submarine issue.

As the submarine defense operation in Bottenviken is now entering the fourth week, it might be timely to draw some conclusions of what has happened and how that has been reflected in the media.

Remove the Muzzle

After some introductory caper by the Defense Staff Information Department on the information issue, the OB has obviously decided on a somewhat less low information profile than in the past years.

The rigid centralization and the muzzle has been removed from the regional chiefs. In all the media, we now receive direct information from chiefs, officers and soldiers who can provide firsthand impressions from the field of operation. That seems nice.

And the media responds, in substance, to the new confidence on the authorities' side. No exaggerated expectations; no overstatements or unnecessary satirical remarks about what one knows, believes or thinks one

knows. Of course there are exceptions, but they are few and, as a rule, it is easy to overlook them. We, who work toward a greater openness, could never dream about getting a better response.

#### Similar to Karlskrona

From the operational side, what is now taking place in Torefjarden is looking more and more like the operations that took place outside Karlskrona from 1983 to 1984. We are certain that alien underwater activities have occurred, and that the chiefs who are responsible for operations now judge that "something," a vessel of some kind or a diver with or without special means of transportation, is still within the barricade.

As is well known, a corresponding situation in Karlskrona in 1984 led to an escape over land, when an alien person, a diver, a frogman or a sailor, crossed the narrow isthmus on the outermost part of Almo inside Hasslo.

Let us first establish that this is not a question of Anti-Submarine Warfare [ASW] in the usual sense. That concept is reserved for the Navy's specially equipped vessels which, with sonar equipment and the help of other means, can localize and detect an alien submarine and then fight it with arms or, in peacetime, turn it away.

The activities that are now taking place in the Torefjarden should be viewed as an ASW operation, i.e., a comprehensive operation covering a large area for a long period of time with participating units from all branches of the Defense Force, and even other units from our entire defense force. The operation is headed by the Commanding General in Boden and locally by the commanders of the respective military regions, i.e., in this instance by the Kalix Defense Area Commander.

#### Larger Operation

The best known previous and more spectacular operations of the same type have been in Harsfjarden in 1982; Sundsvall and Tore in 1983, as well as in Karlskrona from 1983 to 1984. The low profile which the OB has pursued the information issue since the spring of 1984, leads to the fact that it cannot be excluded that more operations of corresponding significance have taken place even in 1985-1986.

The current underwater activities are most definitely not limited to Torefjarden. A major submarine operation by the intruder normally covers a considerably large coastal area, in this instance most likely including Lulea, Pitea and Norra Kvarken. Even more southerly undertakings may have occurred within the framework of the operation.

Many times before, we have, for all appearances, been able to concentrate on one apparent, imprudent and provocative action by the violator in a coastal area, which has served the purpose of concentrating our limited resources in that area, while the violator has in this way gained great freedom of operation in another, and in his opinion, a more important area. What is, for example, happening today in Lulea, Umea or Ornskoldsvik?

## Inadequate Resources

The information available now show clearly that our resources are insufficient to effectively reach our goal in an extensive ASW operation such as this. It is especially noteworthy, of course, in this particular area which, from the Swedish Navy's point of view, has been given far too low a priority in recent years.

But the lack of resources is demonstrated in most areas along our coast when the violator purposefully and on a large scale penetrates our defense and uses our territory for its exercises and war preparations. Today we simply have far too little of everything in all border and coastal areas.

## Open Waters

Speculations and satirical comments have been made about how we utilize our resources. While the operations in Torefjarden became more and more serious and resource demanding, the Coast Fleet's only ASW unit went on vacation. This may have seemed strange to many.

It was hardly the personnel's justifiable need for vacation which was the deciding factor for the conclusion made by the CM [Commander in Chief of the Navy] and the OB [Supreme Commander of the Armed Forces] in this case. In the job itself, the ASW unit has very limited possibilities to collectively intervene in order to reach conclusive results in the narrow and shallow waters in Tjorefjarden and its surrounding areas.

Experience from, among other things, the considerably more open fiords outside Karlskrona show that warships have little possibilities of effectively combating alien underwater activities within the skerries. The ASW forces are intended for open waters and greater depth, primarily for the territorial waters outside the island barrier.

## Hope for Deterrence

On the internal waters in question, such as in the archipelagos of Stockholm, Ostergotland, Blekinge and Goteborg, for example, military forces of different design and performance are needed. Such units are now being formed in several places along our long coast. The quality level of these units is quite high and this measure provides good expectations for a deterrent effect in the important areas where the units will be posted, but quantitatively, the current effort is quite insufficient.

During the foreseeable future-- then I mean this century, to begin with--the local chiefs who are responsible for each military region, in the same way as we now see within the Kalix defense area, will resort to using "home carpentry" such as log potons, simple nets and makeshift shock charges, in order to try to live up to their responsibility of maintaining protection against alien violators in their part of our territory.

## Half Billion

An improvement in this area obviously requires considerable resources. But it is far from being a question of any unreasonable contributions. In this year's 5-year defense budget, 500 million kroner of a total of almost 150 billion kroner, among other things, was allocated for ASW. A portion of this will be used for measures to strengthen the local defense within the so-called "priority area."

Torefjarden is located many miles away from this priority area! By doubling or perhaps quadrupling this resource contribution, Torefjarden--and Brofjarden and the Smaland coastal area and other pertinent areas--would receive a portion of the resources which provide better possibilities and higher preparedness to detect and turn away or neutralize the violators who today are operating undisturbed in such a provocative way in our waters.

In my article in the debate book "...with all available means..." (PRISMA, Jan 1987), I show further how such a stationary underwater defense can be built up. Moreover, this is an effort which would only marginally affect our state finances and the long-term defense and preparedness and war organization. It is "only" a question of responsibility and priority. But it is a question which the Riksdag and the government must take a position on now.

#### Above the Boundaries

During the fifties and sixties there was talk about the Navy's budget submarines. Even today, it is perhaps possible to see the buildup of a more effective ASW as a corresponding strengthening of the Navy and the importance of that within the framework of the defense power.

It is, however, all the more interesting to establish the fact that currently it is the Army and the Air Force officers who lead and are the spokesmen for the operation in the north. Also, the soldiers who are stationed there seem to be exclusively conscripts from the Army unit from the Upper Norrland Military Region.

It is the military commander in Boden, Air Force General Lars-Erik Englund, who is asking the Supreme Commander of the Armed Forces, Army General Bengt Gustafsson, for more resources in the fight against the violator. The ASW issue ranks above the boundaries of the defense service.

#### Military Conspiracy

It should also rank above the political party boundaries. Hopefully, it may do that, although the last weeks' media debates have shown a clear difference between the party press which stands behind this spring's defense decision and the other parties.

And understandably there are several sensational shots to the left. As usual, NORRSKENSFLAMMAN (apk) has denied the occurrence of alien submarines in our waters in several articles. It is instead called a military conspiracy in order to get more money for the Navy. Only a press neighbor has a full comprehension of this presupposition, the Soviet periodical SOVETSKAYA KULTURA...

We can learn much from Torefjarden. Perhaps I will learn more myself, namely, not to try to analyze a submarine operation before it is finished.

#### Firing 'Shock Shells' Fruitless

36500185 Stockholm SVENSKA DAGBLADET in Swedish 24 Jul 87 p 7

[Article by Benita Anderson: "The Defense Force Must Stop Bombing Torefjarden"]

[Text] "The Defense Force should stop bombing Torefjarden. Shock charges and shells have no affect on submarines, anyway," says Emil Svensson, Chief of the Swedish Naval Staff, who himself has led many large submarine hunt missions.

He now sharply questions the method applied by the Operations Directorate conducting the current submarine hunt outside Tore. The resources have been incorrectly distributed, he feels.

The directorate pretends that we are able to implement an effective submarine hunt with the resources available up there. But that is not true. It is in fact a question of a very limited unit which is not able to force any submarine to the surface.

#### All or Nothing

According to Emil Svensson, based on experience from the submarine hunt outside Karlskrona, among other things, there are now only two alternatives.

"It is all or nothing," he says. "Either we make an all-out effort and utilize all resources, including the ASW forces. Or, an all-out effort is made to collect information about the violation, so that we learn something from it for next time.

Shock charges and shells were already being used without success during the submarine hunt in the Karlskrona archipelago," Emil Svensson reminds us. They affect submarines just as little now as they did then.

"I am not directing any criticism against the individuals who are working in the submarine hunt in Torefjarden, because they are just doing their job. But I am critical of the directorate's method of conducting distribution of resources. As it is impossible to bring the submarine to the surface, they should instead concentrate on photographing tracks; analyzing tapes and finding out as much as possible about the violator.

The submarine hunt has landed in some middle position where nothing happens except when one or another shock charge detonates. This leads to the fact, in Emil Svensson's opinion, that the public becomes frustrated over the large sums allocated for the defense, at the very same time when no results can be seen.

#### Too Late

But just because Emil Svensson suggests that the bombings be stopped, he does not exclude that the indications might be serious.

"Of course, it must be taken seriously. But if the operation had called for it, the ASW forces would have been called in. I agree with the Operations Directorate not to send it up there. And it would be too late now, anyway.

Emil Svensson can understand that the military chiefs in Boden consider the activities in the fjord to be important and therefore they want more resources. But the central operational side should put its foot down and not provide any more resources for underwater operations, he thinks.

The resources might perhaps be transferred erroneously because of inexperienced personnel in the Central Operations Directorate, guesses Emil Svensson. But they should not pretend that we can give everything to all coastal areas. Because we cannot do that.

The situation in Tore was calm on Thursday. No new arms effort was reported after the Wednesday night shock charge which was released down on the large barrier.

#### Defection Obstructs the Hunt

The Defense Force is guilty of ruthless exploitation of its personnel. Defections from the AWS forces have become so many that we must give our captains and lieutenants planned vacations so that still more will not leave the Navy.

That is the explanation for the submarine hunt continuing so long without help from the ASW forces, thinks Commander Hans von Hofsten.

A total of 200 naval officers have quit during the 1986-87 fiscal year. Of this total, 81 left prematurely and 120 resigned to study. During the same period, 190 new people were recruited.

"It is, of course, only minus 11 in relation to the recruits, but we have had frequent vacancies since then. In the Navy itself, 80 ASW trained officers have left, while 120 new candidates have entered for training. But it takes between 5 and 10 years in peacetime to train an officer to be an efficient ASW submarine officer." It is just like scrap metal cars; they cannot be replaced immediately; they must be built first, "states von Hofsten.

#### Ruthless Exploitation

With regard to training, we cannot change over to a war organization, even if there is an actual war involving submarine hunts.

During the 7 years of ASW, the Defense Force has worked the personnel so hard that, according to Hans von Hofsten, it can be called ruthless exploitation. This has now gone so far that the officers have begun to leave the Navy. There are more reasons for this exodus from the Navy. The most important one is

perhaps not the low compensation for being at sea, he thinks, but the stress involved in meeting demands from both the service and the "home front."

The lack of trained people is so great that the situation can be described as being serious. So serious that the politicians should now intervene and pay what it costs, thinks von Hofsten.

#### Indifference

But there is lack of understanding and indifference is shown by the government authorities in solving the problem, when at the same time it is demanded that with insufficient resources we are to do the impossible. The Swedish people have the Navy it deserves.

[Question] Why isn't there another unit that can relieve the ASW force during vacations? Any operation is, after all, forced to adjust the resources according to supply and demand and hire extra personnel as needed.

"It is the lack of officers," answers Hans von Hofsten. "There has been much clamor about another ASW force but we could not be able to man it with all our vacancies. In accordance with the latest defense resolution, we have, of course, obtained 125 new positions, but they cannot be active in the service until early in the 1990s."

And he says about Commander Emil Svensson's criticism of the Operations Directorate and the suggestion of putting a halt to bombing in the fiord:

"I am amazed that he can sit in Stockholm and make opinions about the planning of the tactics up in Tore. I would not dare do that. He has not been there and therefore he does not know how the situation is.

Whether the Defense Force should stop firing, he has in fact no standpoint. He has not been there either."

But in order to call in the ASW forces, one must be quite certain of being able to achieve results, he says. It is socially costly to cancel the vacation, which then must be taken at a later date. Besides, it is doubtful whether anything is still to be found in the fiord after such a long time.

The ASW forces are prepared to step in if needed, he explains. But it would take 48 hours from the time the decision was made until the forces would be in Tore.

#### Technical Advantage

"Before they are up there, the violators are gone. We must not forget that the enemy has 10-15 years tactical and technical advantage.

The calculations of the Defense Force already included a visit from alien powers when the vacation schedule was being planned. It was not unexpected that the "enemy" utilized the opportunity," says von Hofsten.

"It was free access for the violators to hit us in a sector where we had the least resources. They have succeeded in making the Swedish Defense Force look like a pure cottage industry. That was probably one of their objectives.

Paper Describes 'Fundamental Mistake'

36500185 Stockholm SVENSKA DAGBLADET in Swedish 24 Jul 87 p 2

[Editorial: "In Peace and Quiet"]

[Text] It is with mixed feelings that one hears about the position of the highest defense directorate on the search for alien underwater activities in Storofjarden outside Tore.

A shock charge goes off from time to time in the fiord; the surface and the sea below is searched as thoroughly as possible with the resources available. Movements in the water are observed. But nothing exciting emerges on the surface.

The work is conducted by local forces under their own command.

No visit by, for example, the Supreme Commander of the Swedish Forces, the Commander in Chief of the Naval Forces or the Chief of the Swedish Defense Staff has been mentioned. The generals and the admirals are on vacation, to a man. Broadly speaking, the emblematic oak leaves seem to observe the same northern boundary as the natural oakleaves, Dalalven.

In itself, there is no reason to become indignant because no high military brass immediately rushed up to Tore. Actually, they have nothing to do there but to look.

It is much worse that the trained ASW unit is not in place. They are on vacation. Both the Chief of the ASW Forces and the Naval Chief explain that the unit must have some time off; that it is necessary to have them well rested, so that their strength can be gathered in the instances when they are needed the most.

That is why the submarine search in Tore is more or less being conducted by makeshift methods. According to Cajsa Warg's recipe, "one takes what one has," says Naval Captain Kenneth Lindmark a little tiredly.

The fact is that this famous phrase is incorrectly ascribed to Cajsa Warg. She, however, writes here and there in her cookbook: "One takes it, if one can get it..."

Well, that's it. One takes an ASW unit if one can get it. But one cannot, because there is only one. It is impossible to hunt for a submarine in any effective manner whenever there are indications that such activities are occurring in Swedish territorial waters because the force must be gathered together. And it is totally out of the question to do that in more than one location at a time. There is, after all, only one unit.

On the basis of what we know about alien activities within Sweden's borders, this is a grotesque arrangement. But it does in a certain way make the low profile of the high military brass understandable. This should not be viewed as indolence, but rather as resignation. If, for example, the Naval Chief expected that the submarine hunt in Torevattnen would be successful, he would probably not be painting a house in Uppsala but be on the job, even if he is on vacation. But he does not have many reasons to expect that.

This is the result of many years of neglect in defense policy. In that respect, this spring's defense resolution, introduced through an agreement between the Social Democratic Party and the Liberal party, does not give any hope for improvement. It comes 1 month, leaving no room for any doubt, in the OB's program planning which demonstrated this frightening defectiveness 1 month after the defense resolution. Although strengthening of the submarine defense belongs to what has the top priority, the OB expresses great concern for the future:

"However, the number of units continues to limit our possibilities of effectively and persistently maintaining our integrity in many areas of operations in peacetime as well as in neutrality."

In a report on a divergent opinion in the program plan, the Naval Chief is even more pessimistic.

The fact that other parts of the total defense sector will be neglected far more, does not make the case any better.

This explains the fundamental mistake in Swedish defense policy. Those who passed the resolution say that they are making a decision on a certain defense, but allocate money for something totally different and worse. If this song and dance is not conscious and deliberately staged, which obviously cannot be excluded, the parties to the agreement should now take on their responsibilities and immediately revise the defense resolution, so that the Defense Force will have a chance to tackle the task decided by the same resolution.

However, for the sake of the country's security, we should decline the contrary solution which on Thursday was recommended by a strong voice in the Liberal Party press, namely to "adjust the desirable to the possible." Yes, that is, in fact, how it is stated in DAGENS NYHETER. The question of whether anything is "desirable," effective submarine defense or good preparedness, for example, should actually be decided by the defense appropriations because they are the ones being referred to with "the possible."

A defense force which can implement its prescribed orders will not receive requested resources. In that way, such a defense force is not desirable. That is perhaps also the understanding of the parties to the Agreement, but that does not agree with what they say.

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**THREE NEW BOAT TYPES SEEN STRENGTHENING COAST ARTILLERY**

36500185 Stockholm SVENSKA DAGBLADET in Swedish 24 Jul 87 p 8

[Article by Staffan Nilsson: "Three New Boat Types Strengthen Coast Artillery Capabilities"]

[Text] The Navy has ordered a prototype of the new fast larger class 90 combat boat. The 19 meter long combat and transport boat is part of the Navy's plans for the amphibious battalions to increase the effectiveness of the Coast Artillery.

An additional two new fast boat types will be added to the planned amphibious battalions, a small combat boat class 90 and a light supply boat class 6000. The amphibious battalions are brand new units to be used in the archipelago in times of war. The first battalions will be ready in 1988-89.

**The Commandos**

Currently, a small combat boat class 90 is being tested in the Stockholm Archipelago by the commandos. The prototype of the light supply boat class 6000 will be delivered today, Friday, from Finland which SVENSKA DAGBLADET was able to report in the Thursday issue.

In addition to their speed, the three boat types also have in common that they are able to sail in very shallow waters, thanks to their front drive system. With the arrival of these new amphibious battalions, the Coast Artillery's mobility and possibilities for quick transfer will increase considerably with the acquisition of these dual purpose combat and transport boats.

In the long run, these boats are supposed to replace the worn and slower class 200 boats, among other things.

The Karlskrona Shipyard will deliver the boat in the spring of 1988 and the boat is built in cooperation with the Djupvik Shipyard at Tjorn which will be responsible for the equipment. The order is worth approximately 5 million kroner to the Karlskrona Shipyard.

The Defense Materiel Administration [FMV], which is ordering the boat, has the opportunity to order an additional six to ten boats from the Karlskrona

Shipyard during the first round in 1989. FMV does not want to comment on how many boats in all this might be.

#### Low Profile

"The future orders of these three boat types depend, to a great extent, on how much money will be appropriated," says Agneta Wellander of FMV.

"But it is clear that this will involve many boats and very large orders for the shipyards that get them," she stated.

"The purchaser's requirements have been, among other things, that the boat should have a low profile in order not to be too visible; that it should be able to carry a large cargo and be fast," says John Nilsson, project chief for the Karlskrona Shipyard.

Large combat boat class 90 will be 19 meters long and 4.6 meters wide and it will weigh 24 tons unequipped. It will be able to accommodate 50 men or 6 tons. The boat is built of plastic in a so-called sandwich construction style with a conventional v-format hull.

#### Water Jet Propulsion

The speed will be around 30 knots (over 50 kilometers an hour), and the boat will run on so-called water jet propulsion. That is a system in which the boat is driven by a forceful water jet which is also used to pilot the boat as the jet can go in different directions.

A water jet system makes it possible to completely avoid the previous damages to the sensitive propellers and rudder under the boat. Moreover, the boat can operate in very shallow waters.

Combat boat class 90 of the larger type will be armed with a 30 mm automatic gun which previously was used on the Air Force Drakenplan, and two machine guns. Tracks for mines and depth charges are also planned on the quarter deck.

#### Missile Unit

It will be possible to use combat boat 90 of the larger type for transporting commandos, missile units or lighter materiel during operations within and outside the archipelago. "Replenished with combat boat class 90 of the smaller type; the light supply boat, along with other small boat types, the effectiveness of the Coast Artillery will increase substantially," said Wyn Enqvist of the Naval Staff in Stockholm.

The combat boats will be able to launch quick surprise attacks on targets at sea and on land, while at the same time they are able to land small or large troop units.

With the effective arms equipment, the boats can suppress an invading enemy on land, and their speed makes it difficult to hit them when they are fired at.

According to SVENSKA DAGBLADET's information, a total on 5-10 amphibious battalions will be established in the future and between 40-50 boats may be attached to each battalion.

#### "Karin-Batteries"

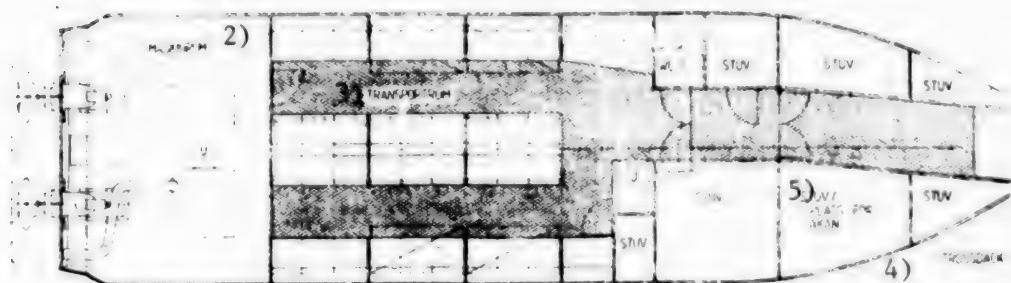
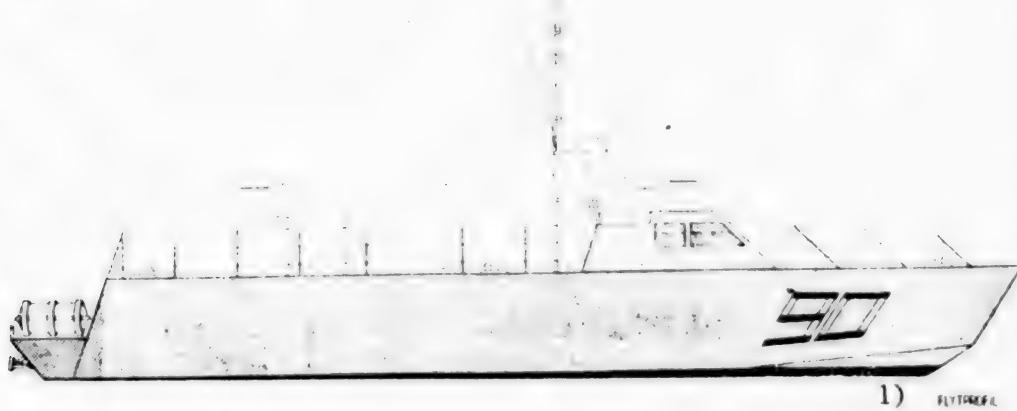
The Coast Artillery will also be provided with the new Swedish sea missile, missile 15, along with the so-called "Karin Batteries" which are a naval mobile version of the Howitzer 70 type gun.

#### CAPTION:

SVENSKA DAGBLADET is the first daily newspaper which can show the design of the prototype for the Navy's new large combat boat class 90. The boat will contribute to an increased striking power of the Coast Artillery's new amphibious battalions and be able to transport and land troops quickly in times of battle within the archipelago.

#### ILLUSTRATION:

- 1) Surface profile
- 2) Engine room
- 3) Transport room
- 4) Supply deck
- 5) Hold/Space for A-A gun



SWEDEN

MILITARY

#### MILITARY PRACTICING FOR UNDERWATER SUBMARINE RESCUE

36500185 Stockholm SVENSKA DAGBLADET in Swedish 24 Jul 87 p 8

[Article by Margit Silberstein: "Swedish Military Practicing for Submarine Rescue"]

[Text] Putting their life at stake, Lieutenant Sture Westin and Lieutenant Commander Bosse Persson have proven that it is possible to get to the surface of the sea alive from a submarine which has run aground at the depth of 150 meters.

Previously, the Swedish Defense has only trained from a depth of 40 meters. Westin and Persson participated in a NATO exercise in Norway which, however, had to be cut short because of serious mishaps.

The Royal Navy extended the invitation for the exercise called "Deep Escape Exercise 87" in Bjornafjorden in west Norway. Great Britain has manufactured a special system which makes it possible to get to the surface from such a great depth.

#### Saving Lives

The Swedish Navy has recently purchased this English rescue system. Sture Westin, who is the director of the Navy Divers School in Karlskrona will now teach the submarine crews how they will have the chance to save their lives in a submarine accident. But the practice is dangerous and it is based on the margin of what the human can withstand.

During the exercise in Norway, almost half of the participants from eight nations had backed out when the time came to surface from the depth of 180 meters. Sture Westin did, however, not give up. But his turn never came, as the exercise was terminated after one participant came close to losing his life due to lack of air.

Many eardrums popped. After having swallowed air, one Englishman burst his stomach on his way up to the surface of Bjornafjord.

#### Air Pipe

The operation begins by putting on the so-called outside outfit and entering what is called the tower, knowing that there are 150 meters to the surface of the sea. The outside outfit is hooked up to an air pipe and the whole apparatus fills up with air.

The diver breaths in an air filled hood which is put over his head; his life depends on the air in this tight fitting hood. The air will provide fuel for him on the way up. On signal, when the outside outfit is sufficiently filled with air, water enters the tower.

"It goes unbelievably fast to fill this narrow pipe with water. When the pressure is enough, it is as if one is shot from a canon," says Sture Westin.

[Question] Doesn't it feel lonely and horrible to stand there and wait for the water?

[Answer] Yes, one is extremely tense. But then it is quite all right, actually. It is a fantastic feeling of freedom to get out of the sub. It then takes about 1 minute to get to the surface, although it feels much longer. When one reaches the surface and is picked up by the rescue boat, the feeling is indescribable. Many sing.

#### Death by Drowning

The worst thing that can happen is that the hood does not fill up with air at the same time the water enters. Then one faces drowning. But there is a security mechanism which is activated if the air intake does not function, similar to what happens during parachute jumping. If the first rope does not function, one can use the reserve rope. If that one does not work either, one is in big trouble.

What caused the exercise to be terminated was that one participant's hood collapsed like a burst balloon, so that the diver did not receive any air. His emergency signal did not receive any response; instead, the water poured in. The man was unable to breathe for many meters going up. He was immediately put in a so-called pressure room on board the Norwegian Naval Rescue Vessel Viken, which was on constant alert in Bjornafjorden.

Another danger involved in the dramatic trip from the bottom of the ocean to the surface is pressure drop. In such deep waters, the pressure is 19 kilograms per centimeter. On the surface, the pressure is only 1 kilogram. The diver must therefore exhale 19 times more air than he can inhale on the way up to the surface. Otherwise, the lungs will expand and finally they will burst. The diver, therefore, has a clip on his nose to reduce the inhaling.

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## FIRST FRG-USSR JOINT VENTURES CONCLUDED

36200302 Frankfurt FRANKFURTER ALLGEMEINE in German 11 Jul 87 p 11

[Text] Bonn, 10 Jul--The first memoranda of association for German-Soviet joint firms have now been finalized. However, these involve only relatively small projects in machine building and in raw-materials processing. Partners are the Heinemann Machinery Factory in Schwarzwald and the Duisburg Raw-materials Trading Firm. For the first substantial joint undertaking (joint venture) on the horizon the preparations are still going on, between Salamander AG and two combines, which want to establish shoe factories in Leningrad and Witebsk respectively. The concluding of a contract is anticipated by the end of the year. During the visit of Federal President von Weizsaecker to Moscow, the Soviet leadership once again pressed for the founding of joint enterprises.

The chairman of the East Committee, Otto Wolff von Amerongen, who accompanied the president together with scientific experts and various other economists, sees in such enterprises important pointers to a closer German-Soviet cooperation. But after his return from Moscow, Wolff once again pointed out, in a talk with the FRANKFURTER ALLGEMEINE, that joint ventures are the most difficult form of cooperation. He says that more rapid headway can be made by way of the expansion of customary industrial cooperation and the exchange of licenses in parallel with the promoting of goods traffic.

Despite a sharp drop in German-Soviet trade, there are encouraging signs of the possibility of a scientific-technical cooperative effort geared to the long term, says Wolff. He says that because of the visit of the president to Moscow, the political climate necessary for closer economic relations has further improved. From a talk with leading experts there, Wolff brought with him as the most striking information for him the fact that these experts recommend clear governmental basic conditions and a moving away from rigid plans.

Wolff by no means rates as alarming the drop in the German-Soviet trade. In 1986, Soviet deliveries contracted by 33.3 percent, and in the last 4 months by 40.9 percent. Within these two time frames, German exports decreased by 11 percent and b. 18.9 percent. In Wolff's view, this is above all a result of the price decline for energy deliveries from the Soviet Union, which has led it to be more cautious in its imports. But on the other hand, the declines

are also connected with the new orientation in Soviet economic and foreign-trade policy.

Wolff points to considerable delays in the placing of orders since the announcement of the reform. A number of projects are being altered, and even being deferred. For Wolff, it is also no surprise that only a meager number of large orders are being placed. He says that this results essentially from a reorientation in the new 5-year plan. Earlier, two thirds of the emphasis on capital expenditures involved new facilities, mostly large-scale projects. One-third of the funds went into modernization and the expansion of existing enterprises. Today, the latter fraction amounts to more than 40 percent. A preponderance of capital expenditures for renovation is on the horizon. This, he says, considerably changes the structure of orders placed. He says that attractive orders will be coming in also in the future, but there will be others having relatively low contract values.

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## SPD SAYS SDI DAMAGES FRG TRADE WITH EAST

36200308 Duesseldorf HANDELSBLATT in German 16 Jul 87 p 3

[Text] Bonn, 15 Jul--The American project for a missile defense in space has inflicted grave damage to German trade with the East, in the opinion of the Social Democrats. There is an "increasing militarization of trade in civilian goods," said the economic-policy spokesman of the SPD Bundestag fraction, Wolfgang Roth, on Wednesday in Bonn.

He said that the United States has made use of the Strategic Defense Initiative (SDI) to hamper trade with the East. Permits for Eastern Bloc business transactions used to be attended to within 30 days, but at present permission by the Federal Office for Trade and Industry to export goods related to information technology to the Eastern Bloc already takes at least 4 to 5 months. In connection with products of high technology, delays of as much as 12 months are not unusual.

The information the SPD has is that a number of business deals have failed to materialize because of SDI. Mentioned as an example was the supplying of a telephone distribution system to Hungary by the Stuttgart Electrical engineering firm Standard Elektrik Lorenz (SEL). As Roth said, he knows of other cases, but the firms have not authorized him to mention their names.

According to the deputy fraction chairman, Horst Ehmke, the companies are afraid of not receiving any more U.S. patents. By way of a written parliamentary question, the SPD now wants the federal government to tell it in which cases security-relevant Eastern Bloc deals have fallen through because of objections by the American Department of Defense.

According to Roth's information, since the SDI agreement was signed FRG firms have received orders having a total value of only \$50 million for a period of time of 4 to 5 years. The agreement between the FRG and the United States on German industry's participating in SDI had been signed on 27 March 1986 in Washington by Federal Minister of Economic Affairs Martin Bangemann and U.S. Secretary of Defense Caspar Weinberger.

Ehmke and Roth pointed out that in the interim, doubts about the technical realization of a missile defense in space have arisen even among the responsible military personnel. They said that in the Western camp there is a

great debate going on about this, but that the FRG is not taking part in it. SDI neither promotes the development of modern technologies nor fosters international exchange, they said. Instead, technology transfer is being hindered.

It is said that the United States is constantly seeking to expand the catalog of the COCOM [Coordinating Committee for East-West Trade Policy] list (which contains an export ban on high-technology products). Roth pointed to the drop in exports to the East in 1986 by 7.3 percent and in the first 5 months of 1987 by 16 percent. But, he said, this cannot be attributed only to the COCOM restrictions.

The technology expert of the SPD fraction, Josef Vosen, said that also at international congresses secrecy is playing a greater and greater role. The cooperation of the European space agency ESA with the United States is being markedly curtailed because of military research. When one begins to lock up scientific results in the safe, he is approaching the Soviet system of secrecy, while 'glasnost' goes forward. This is folly, he said.

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## BANK PROJECT TO FACILITATE TRADE WITH EAST

36200252b Duesseldorf HANDELSBLATT in German 15 Jun 87 p 8

[Article by ash: "Exporters to the East Receive Assistance in Compensation Deals"]

[Text] Duesseldorf--The West-German Landesbank Girozentrale (WestLB) is planning to establish an international trading house to handle distribution and financing of compensation deals involving state-trading nations. A spokesman for the bank confirmed announcements to this effect.

The spokesman added that at the present the project is only in its planning stage and that all definite decisions including personnel appointments will have to wait until the second biennium. He confirmed, however, that Bodo Hombach, SPD party chairman for the Land of Nordrhein-Westfalen, is being considered for the position of managing director.

The new WestLB subsidiary is expected to assist mostly smaller and medium-sized businesses with exports to state-trading nations. Exports to such countries are frequently subject to conditions where part of the payment consists of goods. Such compensation deals are especially problematic for smaller businesses because they lack the network to market goods received as payment. The WestLB trading house would take over the marketing of these goods and it would act as an interim financier by immediately providing the exporter with liquid assets.

This new offer by the WestLB is not only geared toward Comecon countries but also toward the Chinese market where compensation deals could play a major part in the future.

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## HI-TECH BADEN-WUERTTEMBERG IS TARGET OF EAST BLOC ESPIONAGE

36200305 Frankfurt FRANKFURTER ALLGEMEINE in German 17 Jul 87 p 4

[Article by [bhr]: "East Bloc Spies in the Southwest"]

[Text] Stuttgart, 16 July. It appears that Baden-Wuerttemberg, considered a "model high-tech area," has become a playground for spies from the Eastern Bloc. According to the report on 1986 prepared by the Office for the Protection of the Constitution and issued by the Stuttgart minister of the interior, Schlee (CDU), the Main Administration for Intelligence Collection (HVA) of the GDR Ministry for State Security has not let up in the intensive reconnaissance efforts designed to keep the GDR economy abreast of technological development in the Federal Republic of Germany. The report states that staff members of a "Science and Technology Department" within the HVA have been trying to take advantage of traveling GDR officials and businessmen so as to further their own intelligence collection-related objectives: In Baden-Wuerttemberg, the report points out, GDR citizens who had come to the Federal Republic on official business have of late repeatedly been trying to obtain unclassified data on computer technology and also private information on certain companies' organizational makeup and executive officers, and traveling GDR cadres have approached Baden-Wuerttemberg universities to obtain research reports, syllabi and catalogs. According to the report, "the intelligence collection efforts presently focus on obtaining data on technological hardware and on the science and technology transfer between the universities and the private sector."

The report states that aside from the GDR the other Warsaw Pact states are likewise engaged in intelligence collection and that these efforts are characterized by frequent participation of staff members of these countries' embassies, consulates, and trade missions; through--mostly minor--German firms, they try to get hold of technologies pertaining to high-frequency engineering, microelectronics, and data processing.

Regarding intelligence collection trips, close attention should be paid to the Soviet military missions accredited to the commanders-in-chief of the stationed armed forces, the report points out; the Soviet military missions responsible for Baden-Wuerttemberg and stationed in Baden-Baden and Frankfurt-on-Main presently have a staff of approximately 30 persons who are equipped with automobiles, including all-terrain vehicles, and espionage equipment and

all of whom belong to "Razvedka Upravlenie," the Soviet intelligence service (RU). According to the report, the RU is charged with obtaining information on mobile and stationary installations of both the Allies and the Federal Armed Forces; in Baden-Wuerttemberg, "mission staff members" are known to "make operational sorties on a regular basis"; frequently, the spies make their "procurement trips" after nightfall, in order to reduce the risk of detection and observation by counterintelligence agents.

According to the report of the Office for the Protection of the Constitution, in most of the Communist states intelligence service operations are part of the political system; the Warsaw Pact states thus effect considerable savings in research and development and they derive economic, military and political advantage from this arrangement. The objective is to do severe, lasting harm to the ideological opponent, "the imperialist class enemy in the West," the report states.

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## NORWAY TO PROVIDE 20 PERCENT OF NATURAL GAS BY YEAR 2000

36200306 Duesseldorf HANDELSBLATT in German 14 Jul 87 p 17

[Article by [jsn]: "First Shipments From the Gullfaks Field"]

[Text] Duesseldorf, 13 July 1987. Late last week, the first natural gas deliveries from the Gullfaks Field arrived in continental Europe. Norway is steadily gaining in importance in its capacity as supplier of gas for West Europe.

In 1986, as much as 13 percent of the natural gas used in the Federal Republic came from Norway. Boosted by last year's Troll Agreement, the Norwegian share is going to exceed 20 percent by the turn of the century.

Along with the Statfjord and Heimdal fields, the Gullfaks Field is part of the Statpipe Project which has been supplying natural gas since October 1985. Now that the Gullfaks shipments are dispatched on a regular basis, natural gas comes from all of the three fields of the Statpipe Project, agreement on which was reached in 1981. The Gullfaks Field is located in Norwegian waters in the North Sea, approximately 1000 kilometers north of the German coast. This deposit contains petroleum and--to a lesser extent--natural gas.

The natural gas is to be delivered to the Federal Republic and also to Belgium, France and the Netherlands. The West European group of buyers--which on the German side comprises Ruhrgas AG [Ruhr Gas Inc.], BEB Erdgas und Erdoel GmbH [Natural Gas and Petroleum Loading and Unloading Enterprises], and Thyssengas GmbH [Thyssen Gas, Company With Limited Liability]--obtains approximately 3.5 billion cubic meters of natural gas annually from the Statpipe Project. Of this quantity, 1.5 billion cubic meters annually are available to the German gas suppliers.

The natural gas from the northern part of Norway's North Sea coast is delivered to Emden via an underwater pipeline system approximately 1300 kilometers long.

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## INLAND SHIPPING: TOUGH COMPETITION FROM HOLLAND, BUNDESBAHN

36200308 Duesseldorf WIRTSCHAFTSWOCHE in German 3 Jul 87 pp 84-87

[Text] The Dutch have become a feared competitor of West German inland shippers. With dumping prices and strong financial boosts by the government, they are sending their barges into the race.

For most of the 61 million citizens of the FRG, Holland is the land of tulips, canals, Hollands gin--and the Dutch maidens. On the other hand, for the 9,269 German independent or hired inland shippers, our neighbor state to the west may seem like Beelzebub's branch office on earth. Because their Dutch colleagues and competitors are feared undercutters on inland European waterways. The upshot: 35 percent of all goods conveyed within this country on waterways are transported on Dutch motor vessels or tug barges--a rising trend.

In transnational traffic--only there are freight prices allowed to be freely negotiated--Dutch inland shippers offer to convey cargos at rates up to 15 percent cheaper than their German colleagues. This may be due for one thing to the fact that the Netherlands inland shippers are more modest in their claims, especially the independent captain-owners, who usually have only one vessel. Many live an entire working life on their barges, whereas most of the German captain-owners maintain in addition apartments or houses on land near the harbors. For another thing, Dutch captain-owners and shipping companies can transport more cheaply, because they are pampered by their government.

- German firms have to pay a corporation tax of 56 percent, whereas Dutch companies have to pay only 43 percent.

- The Dutch do not have to pay any trade tax at all.

- Dutch shipping businesses are allowed to have repair-offsetting reserve funds, whereas for German inland shippers this opportunity is still denied.

- In this country, fixed depreciation rates are in effect. The Netherlands financial authorities are open to negotiations.

- For the education of their children, whenever they are housed in boarding schools and other schools on land, German shippers must reach deep in their

pockets. At present, hostel-type lodgings cost about 1,000 marks per month. In the FRG, government subsidies are meager (400,000 marks per year), while they are abundant in the Netherlands: 60 million guilders.

- Dutch inland shipping profits from government investment subsidies, which amount to between 12.5 and 18 percent of the total capital expenditures. This WIR premium (Wet Investeringen-rekening) has led to a brisk activity of new construction at Dutch shipyards, and thus to an additional tonnage availability in a transport market that already is marked by excess capacities. Even now, according to shipping experts, every fifth ship is superfluous on the international waterway of the Rhine.

On the FRG waterways west of Dortmund-Hamm, freedom of cabotage prevails--foreign inland shippers as well are allowed to take part in internal German commerce. However, some lucrative standing orders for the Rhine are firmly in Dutch hands, such as between the Rhine-Ruhr region and the Rhine-Main area.

Here, sometimes the Dutch--as is not unusual in regulated markets--scrape along against the margins of legality a little. It is said of them that they first reach an agreement with their German customer officially on the stipulated freight charges, only to subsequently remit back certain sums unofficially by way of foreign accounts. Although this is common, complain Bonn officials, it is difficult to prove.

Although the German shippers are up in arms about these methods, for them as well the intra-German, governmentally prescribed freight rates are often just as non-binding as the price suggestions of an oriental carpet dealer. The criticism by the Waterways and Shipping Directorate West (Munster) was thus: "For a relatively long time it has been possible to observe an increasing trend toward avoiding fixed freightages by way of bogus invoicings. The battle for the increasingly more scarce availability of cargos is becoming tougher."

"Fixed freightages have become a dream," says the Bergkamen lawyer Georg Ries, vice president of the Federal Association of the Self-Employed (BDS). According to Ries, increasingly one cannot help observing that fixed freightages for inner-German voyages are being undercut through more or less clever courses of action taken by shipping companies, middlemen, and carriers. Rumor even has it that inland shippers must be well-off of late. Because from time to time they would be asked by charterers to handle certain reimbursements on the fixed freights by way of cash payments.

Where things are still done according to the book, bureaucracy prevails. Wherever a freightage is decreed, exception regulations, special rates, and margins are also found. Six regional freight-rate committees are concerned with these--institutions to which some sing the hymn of tariff autonomy and about which others couldn't care less.

In these six freight-rate committees spread over the various river basins, not infrequently freight-rate adversaries sit facing each other who run their businesses under the roof of the same parent company.

Especially affected by the regulations are the small and medium-scale captain-owners, who have organized themselves mostly into cooperatives, or as firm-affiliated owners have integrated themselves in the transport network of large shipping companies. They are tied down to rates that large firms have evaded for a long time. "Large-volume ore and oil shipments have been organized within a sort of works transport system going from concern-owned seaport terminals to concern-owned processing enterprises," reports Gerd Mueller, carrier in Brake/Unterweser. A works transport system is tariff-free--but not necessarily more profitable than shipping-company or captain-owner transport. This was recognized also by the chemical concern of Bayer, which for years has no longer maintained any shipping operation of its own--it lets others do the driving.

Transport markets in inland shipping are highly concentrated. Early in the 1980's the Federal Cartels Office had already determined that 90 percent of shipments were in the hands of four large shipping companies. Although numerically speaking there are still 1,595 commercial firms engaged in inland shipping, 1,450 of these are captain-owner operations with at most three vessels. Only half of these captain-owners--organized in one of the eight cooperatives--are truly free. The others work as firm-affiliated captain-owners, contractually allied with large shipping companies such as Stinnes and Haniel. Stinnes, for example, does half of its shipping on its own vessels. The other half, 180 ships, belong to firm-affiliated captain-owners. These shipowners are to some extent chained to the large shipping concerns by long-range guarantees of future jobs.

To be sure, their power over the market is a thorn in the side of the Davids of inland shipping, the freely canvassing shippers and small-scale captain-owners. Large shipping companies dominate the business of lucrative standing-order shipments and large-scale shipments--"for good reason," asserts Wolfgang Hoenemann of the Federal Association of German Inland Shipping in Duisburg. For reasons of delivery reliability, power supply companies assign transport contracts preferably to large shipping companies and cooperatives.

And so rumors are always rampantly flourishing about the bulk business with respect to power-plant coal. The administrative secretary with the Federal Association of the Self-employed, Hans-Juergen Duenner, often speaks about "all kinds of fiddling about with coal." From Duenner's wealth of experiences:

- In order to get contracts for power plants that are totally or partially under municipal ownership, a joint chartering association of shipping companies and the municipality is founded for handling the shipments. This makes it possible to have certain percentages of the tariff charges flow into the municipal coffers.
- In order to make it easier for members of managing boards or boards of directors of power plants to make a decision about a certain shipping company, they are offered silent partner's holdings or shares of capital stock.
- In parallel with the contract on shipping coal within Germany at stipulated freight rates, a contract is also concluded on transporting imported coal at

non-fixed international freightages. This results in an offsetting of the excessive German freight charge by an underpriced freight rate for the international transport.

- To facilitate decision-making, the shipping company makes an offer to the municipality or even the power plant to rent or lease waterfront areas for the purpose of intermediate storage or transshipment, and thus reimburses a portion of the prescribed fixed freights.

It is with such extras, more or less in the gray zone of what is permissible, that the most powerful competitor to inland shipping, the Deutsche Bundesbahn, has been offering enticements for a long time now. When in the vicinity of Hannover bids were invited for the delivery of a half million tons of hard coal for a new power plant unit to be built there, the Deutsche Bundesbahn offered additional services in the form of transshipment and loading facilities--capital expenditures that normally the customer undertakes. The result: The shipping company that was also in the bidding "went back down into its cellar"---according to an observer--and came up again with better prices.

The competition between the railways and inland shipping is becoming more and more heated the more waterways are expanded and modernized. "Basically," gripes inland shipping expert Hoenemann, "canals are nothing but preferential tariffs of the railways dug into the earth."

The aggressive canvassing policy of the Bundesbahn is afflicting inland shipping in the midst of a critical development that for a short time last year seemed to have been interrupted. The submarket of tanker shipping has been swamped with orders. Compared to 1985, the German tanker shippers booked an increase of 3 million tons, or 6.9 percent (1985: 42.2 million tons). On the Rhine, the increase was even more than 15 percent. In the boom, the inland shippers also became greedy. New tanker constructions were ordered primarily in the Netherlands--a total increase of 10,000 tons. But this, German tanker companies feared, is "in no relation to the expected development of transport tonnage." In the first half of 1987, confirms Manfred Crisand of Rheinfracht GmbH in Mannheim, a downward trend has already commenced in connection with petroleum operations.

Last year, when oil prices were falling, Switzerland also was placing orders in large amounts. This year the orders have fallen slightly. At the beginning of June they stopped completely--at least by way of ship transport. Because a barge train fully loaded with gravel crashed into a bridge over the Rhine near Karlsruhe-Maxau. The Rhine, it is being said, will be closed to shipping from Switzerland and into Switzerland for some time to come.

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## DOMESTIC ECONOMY BENEFITS FROM AID TO DEVELOPING COUNTRIES

36200252a Frankfurt FRANKFURTER ALLGEMEINE in German 27 May 87 p 14

[Article by kpk: "Development Assistance Provides Economic Boost"]

[Text] Frankfurt, May 26--German financial aid to developing countries has once more paid off for Germany's economy according to the most recent financial report submitted by the national reconstruction loan company in Frankfurt, the federal Development Assistance Bank. The report shows that in 1986 the German economy shared in 86 percent of all supplies and services purchased by developing countries with money borrowed from (or given to by) Germany. The previous year, when Germany's return had jumped from 75 percent to 83 percent, the bank dismissed prospects for an even higher rate. The reconstruction loan company is commissioned by the federal government to pay out and to handle German financial aid for developing countries.

Ten percent of German aid was spent in other industrial countries (compared to 12 percent the previous year), four percent in developing nations, and a scant 0.4 percent in state-trading nations (compared to last year's 1.0 percent). Consulting services bought from Germany lead in returns with 94 percent, followed by electronics with 93 percent and the motor industry with 90 percent. The machine-building industry as well as above and below ground construction rank somewhat below average with 80 percent.

The reason for such a large German share is that assistance recipients are not free to choose their suppliers. All during the seventies, Germany's share in returns from foreign aid had been on the decline. In 1973, trade obligations tied to development assistance were almost completely lifted by the then ruling SPD/FDP coalition. In the autumn of 1982, the present government responded to Germany's unemployment problem by both tightening up trading obligations and by expressly stating that foreign aid should benefit employment at home. Previously, the federal government had insisted that developing nations advertise internationally for supply contracts. Present guidelines for development contracts no longer contain such a demand.

During the last year, the Development Assistance Bank has paid from the national budget credits and subsidies worth a total of DM 2.5 billion to developing countries. DM 0.8 billion have been recovered which leaves a development aid net expense of DM 1.7 billion. Last year's somewhat higher

contribution and decreased repayment amounted to a net expense of DM 2.1 billion. As in the previous year, the bank has committed a total of DM 2.3 billion in development aid, DM 0.7 billion are subsidies, the rest are credits. This renewed commitment allots 45 percent to Africa, 38 percent to Asia, 9 percent to Latin America, and 8 percent to Europe.

To finance this aid, the bank has entered 25 more financing agreements than last year. A scant two third involves African countries.

Of the money tied to specific projects, the energy related industry receives the lion's share with 27 percent. Agricultural projects, including the setting up of agricultural development assistance banks, get 21 percent; 15 percent go to social infra-structure related projects, in particular to the supply of drinking water. As in the previous year, the bank has started more projects than it has finished . Instead of 1405 projects, it now supervises 1463.

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## LONG TERM UNEMPLOYMENT CLIMBS

Munich SUEDDEUTSCHE ZEITUNG in German 24 Jul 87 pp 1-2

[Unattributed article: "Already 750,000 Long Term Unemployed"]

[Text] Berlin, 23 Jul--More and more citizens of the Federal Republic have been without work for a year or longer. The German Institute for Economic Research (DIW) states in its latest weekly report that already about 750,000 people have been affected for 2 years. Ever more urgently the question must be asked as to how long yet the potential of gainfully employed and those willing to work "is to be destroyed by means of long term unemployment." All those who have been without employment for longer than a year are characterized as long term unemployed. People over 50 years of age are affected first and foremost. The DIW feels that it must be soberly recognized that to date, even in periods of prosperity and increasing employment, the unemployment rate has hardly been reduced. In addition, the situation in the labor market has again worsened this year so that the prospects for the 750,000 directly affected people and families are becoming ever more bleak.

The DIW attributes the negative development of 1987 to the rather protracted weak period of the business cycle at the beginning of the year, which was more pronounced than in the 6-month period during the winter of 1985-86. Thus, for the first time since 1984 the number of persons employed in industry has again dropped. The capital goods industry, since 1984 the engine of the growth in employment, no longer took on additional workers, no doubt a consequence of the less favorable economic prospects in view of the upward revaluation of the Deutsche mark and the increasing holding back--domestically as well--of capital investments. This could continue to persist, the DIW feels, but the construction industry has begun the after-winter drive to catch up with demand and has again taken on workers.

There are more and more jobs in the services as well--35,000 in the 1st quarter of 1987 alone, for example. Altogether, the DIW calculates that in the 2d quarter the total number of employed will increase by only about 10,000--thus, as small an increase as last seen at the beginning of 1984. Thus, unemployment will again increase, as the figures from the Federal Employment Institute, Nuremberg, already had indicated for June. The solution to the problem of unemployment is thus being postponed further and further into the future.

During the boom from 1977 to 1980, the number of persons gainfully employed grew by 780,000 according to the calculations of the Berlin economists, and the number of unemployed declined by 140,000. During the boom from 1983 to 1986, there were 460,000 new jobs but only 30,000 fewer unemployed. Meanwhile, among the more than 2 million unemployed in the Federal Republic, 750,000 are already listed as having been without work for a year or longer. Formerly, unemployment was primarily a cyclic problem; now it has become increasingly a structural one.

Only 1 in 10 long term unemployed person is still receiving unemployment benefits, and half of them receive unemployment support; the rest are dependent upon welfare. More depressing still is the fact that half of them already have been living for 2 years and longer without work. More than one out of two long term unemployed persons is older than 50 years of age and thus would have virtually no chance left for a job.

To be sure, he who does have a job is making good money. In the first 6 months of 1987, the gross wage and salary total was 3.5 percent greater than a year ago, although the figure is negatively affected by the late wage contract conclusions, the idle shifts in mining and the unfavorable situation in construction due to the bad winter. Company profits even increased by 10 percent. The DIW feels that the gains from the strength of the Deutsche mark apparently have not been passed through to the consumer.

#### Overtime in the Critical Steel Sector

Approximately 13 percent of all employees in North Rhine-Westfalia are working overtime daily or frequently according to an INFAS [Institute for Applied Social Science] study, whereby the number in the critical steel sector, at 38 percent, is especially high. In the energy-mining sector as well the amount of overtime, at 18 percent, is above the average, as is evident from a regional study of the Institute for Applied Social Science. Normal working hours (full number of hours, no shift work) is really only the norm for one out of two employees.

At the presentation of the study in Duesseldorf, Labor Minister Heinemann (SPD) characterized it as "alarming" that part-time work and personnel reductions on the one hand, and overtime on the other hand, are not contradictions in many cases. He sees no point, however, in resubmitting the draft bill for the reduction of overtime which has been rejected by the CDU/CSU states in the Bundestag.

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## BONN WEIGHS SUBSIDIES TO BOOST EMPLOYMENT

Munich SUEDDEUTSCHE ZEITUNG in German 24 Jul 87 pp 1-2

[Unattributed article: "Special Assistance for Older and Young Unemployed Persons; Bonn Considers Financing To Be Assured"]

[Text] Bonn, 23 Jul--Bonn wants to reduce the rate of unemployment with new labor market policy instruments. In accordance with a draft bill to amend the Labor Promotion Act, which was formulated by the Federal Ministry for Labor and approved by the Federal Cabinet on Thursday, older unemployed persons and youths who are at a disadvantage in the labor market are primarily to be targeted for help. Among other things, to ensure unemployed persons over 50 years of age a job a wage subsidy of up to 75 percent for a maximum period of 8 years could be paid by the Federal Employment Institute. The new law is to go into effect on 1 January.

With the eighth amendment to the Labor Promotion Act, the Federal Government, in the words of Wolfgang Vogt (CDU), parliamentary state secretary in the Federal Ministry for Labor, is pursuing the goal of supplementing its range of labor policy instruments and of expanding and improving its opportunities to act as a provider of job placement services. In addition, misuse of Federal Employment Institute services is to be prevented by a series of new provisions. Vogt seemed convinced that with the new law enterprises will also be able to solve their personnel problems in a socially responsible manner and will be able to reduce the labor exchanges' administrative expenditures.

The planned measures for the benefit of older employees are, in Vogt's opinion, essential, because unemployed persons over 50 years of age are especially seriously affected by long term unemployment. According to a survey by the labor exchanges, the number of unemployed persons who were 50 years old or older amounted to 432,000 in September of last year. More than half of them already had been without a job for a year or longer at the time of the survey. Vogt said that with the envisioned wage subsidy payments, which, in contrast to the regulation now in effect, are not to be graduated according to a decreasing scale, the already approved extension of the period of unemployment benefits will be supplemented by measures for the facilitated reintegration of older unemployed persons.

With the assumption of the program for the disadvantaged by the Federal Employment Institute (to date the Federal Ministry for Education has been responsible for it), the originally limited duration of the program to 1989 is to be rescinded. By its inclusion in the Labor Promotion Act, the promotion of vocational training for disadvantaged youths, especially for those who have dropped out of intermediate school and for former special education students, will be given a legal basis. Through so-called "remedial education" and social-pedagogical support during vocational training, the youths' educational shortcomings and social difficulties which stand in the way of permanent vocational integration, are to be overcome.

In addition to that, the duration of stop-gap assistance payments to unemployed persons establishing an independent existence is to be extended from presently 3 months to 6 months in the future. Furthermore, the Federal Employment Institute is to be given the ability to make supplementary funds available to finance the balance of projects which create jobs if the relevant state government also furnishes funds at an appropriate level. Language training for evacuees, persons seeking asylum and refugees admitted under the quota system is to be included in the Federal Employment Institute's catalog of approved tasks. The maximum duration of support is to be extended from 8 to 10 months.

Moreover, the Federal Government is planning an expansion and improvement of job placement services. Accordingly, it should be possible in the future to advertise job vacancy announcements as well as notices of positions sought over radio and television as well as by means of electronic bulletin boards. In order to limit abuse of the Labor Promotion Act, the labor exchanges; right to investigate enterprises is to be expanded, thus tending to prevent the dragging out of bankruptcies which result in bankruptcy income loss payments which are costly for the labor exchanges. Simplifications for drawing part-time worker payments, bad weather money and winter construction promotion funds are planned. The receipt of unemployment benefits and unemployment support by secondary school and higher education students is to be revised.

Vogt cited to reporters the cost of the planned measures as DM950 million in the coming year; reportedly, there are Federal Government credits of DM901 million (unemployment benefits, disadvantaged program) towards this sum. According to the draft bill, the costs for subsequent years amount to DM880 million in 1989, DM811 million in 1990, and DM732 million in 1991. For the present, financing of the new program is assured by the surpluses of the Federal Employment Institute, which has reached the amount of DM2.4 billion by the end of 1986. According to Vogt's statements, the financing of the new instrument is guaranteed in this way for 1988. Due to the unforeseeable development of economic growth and the labor market, however, exact costs could not be estimated. A more detailed estimate of expenditures is to be undertaken during further consultations in the Bundestag.

Scepticism on the Part of the FDP; Severe Criticism from the SPD

The deputy chairman of the SPF faction, Rudolf Dressler, expressed the criticism that the Federal Government would expend an additional DM1 billion annually on the planned measures. He pointed out that the extended payment of unemployment and part-time worker benefits, which took effect as of 1 July, was saving DM1.4 billion in the federal budget. Now "burdens completely unrelated to the purpose of dues"—for example, the financing of the disadvantaged program and language training—"are to be imposed" upon unemployment insurance. "The Federal Government's financing trick merely has the objective of paying for child education leave for older mothers from other sources." As a result of this, the Federal Employment Institute "will accumulate a large deficit already in 1988."

FDP social policy specialist Dieter-Julius Cronenberg warned of an increase in unemployment insurance dues because of the planned changes in the draft bill. Cronenberg declared in Bonn that "as sensible as a number of these measures may well be individually, it is, however, of decisive importance for the FDP that, in spite of additional obligations for the Federal Institute, no new costs accrue to businesses and employees."

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## DIW: LONG-TERM COMPETITIVENESS REQUIRES MORE BASIC RESEARCH

Duesseldorf HANDELSBLATT in German 9 Jul 87 p 4

/Article by "as": "DIW: The Federal Republic Lags Behind in Research and Development"7

/Text7 Berlin, 8 July 1987. The Federal Republic continues to show considerable weakness in research and development. This is the conclusion the Berlin-based German Institute for Economic Research (DIW) reached in an analysis of R&D investment in the Federal Republic, the United States, and Japan.

According to the Berlin researchers, it will be necessary to intensify research and development efforts to maintain the competitiveness of German industry in the medium term; this goes for both the state and the private sector, they point out.

The researchers concede that medium-size economies are not in a position to muster resources such as those available to the United States and Japan and recommend research cooperation with other countries so as to avert technological lag; the Federal Republic in particular should try to base its research projects on international cooperation, above all in the EC area.

According to the DIW, the state's research policy should be strongly focused on basic research, for in the long term it is basic research which determines a national economy's technological potential; and unless a technology transfer can be ensured on a permanent basis, the FRG's large enterprises should move of their own initiative so as to prevent their falling behind. In so doing, they will be forced to increase their R&D expenditures, the DIW points out.

While the DIW notes that in the last few years the Federal Government and industry have been spending more on research and development, it points out that since the early 1980's the FRG has fallen behind vis-a-vis the United States and Japan, the leading nations in terms of technology: Whereas in Japan and in the United States the 1987 investment exceeded that of 1980 by 65 and 31 percent, respectively, the increase in the Federal Republic is estimated at no more than 25 percent.

Measured against the GNP, the research investment in the three countries is about the same (approximately 3 percent); but the DIW researchers point out

that the only reason why this figure is so high in the FRG and the other European countries is that their economic growth rates are lower than those of the United States and Japan; comparison of the absolute R&D expenditures shows that at best the West German economy is not falling back behind the United States any further. But the gap vis-a-vis Japan has been widening, they state.

#### State Share Relatively Smaller in Japan

Both in the United States and the Federal Republic, small and medium-size enterprises (up to 1,000 employees) accounted for only about 5 percent of the total expenditures of all enterprises during the period from 1971 to 1975. The DIW points out that since the introduction of the labor cost subsidy program--for which DM 300 to 400 million have been available every year since 1979--this situation has changed considerably. According to its estimate, small and medium-size enterprises now account for approximately 20 percent of the total R&D expenditures in the FRG's private sector.

The DIW notes marked differences in regard to research budget financing in the individual countries: Compared to the United States and the Federal Republic, the state share in Japan is considerably lower, with the private sector's contribution being correspondingly higher in that country. In the university sector, on the other hand, the state share in the FRG exceeds that in the United States, where these costs are covered to a large extent by the private sector. But in the United States the state is more strongly involved in the financing of research projects, the DIW points out.

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CSO: 3620/300

## BMFT REPORTS MORE PRIVATE SECTOR INITIATIVE IN R&amp;D FUNDING

Duesseldorf HANDELSBLATT in German 13 Jul 87 p 4

/Article by "na": "The Dynamic Increase in Research Funding Reflects the Private Sector's Strong Initiative"<sup>7</sup>

/Text Duesseldorf, 11/12 July 1987. A report of the Federal Ministry for Research concerning state research funding for the Federal Republic's private sector shows that compared with the state the private sector has greatly intensified its research efforts.

According to the latest Battelle estimate, research and development (R&D) expenditures in the FRG will total DM 59 billion in 1987, i.e. a 5-percent increase over 1986. With allowance made for the expected rate of inflation in the research field, this represents a real increase of 2.5 percent. Considering the GNP, research expenditures account for 2.9 percent. With an expected contribution of DM 36 billion, the private sector will cover 61.6 percent of Germany's total research expenditures. Since 1982, this share has been increased by nearly 6 percentage points. Correspondingly, the share of state research funding declined to 36.9 percent. All in all, R&D funding in 1987 increased by approximately DM 12.7 billion, as compared with 1982.

Seventy percent of all research funds are spent in the private sector. It is expected that in 1987 the private sector will independently finance 83.6 percent of its research projects, while only 15 percent will be subsidized by the state. The Ministry for Research concludes from this that the private sector's dynamic research funding reflects a--politically desired--surge in independent initiative.

## Increasing Competitiveness

Comparison of international figures shows that research growth could be even more dynamic. Compared with Japan, research funding in the FRG shows a smaller rate of growth. The Federal Ministry for Research and Technology warns that Germany's research effort must not weaken; it will be necessary to intensify research activities to improve competitiveness. The ministry points out that in Germany exports account for approximately one-third of the GNP, whereas in Japan and in the United States the export share amounts to no more than 17.5 and 9 percent, respectively.

The state's reserve in regard to financing of research and development is shown by the fact that federal R&D funding increased only moderately: from DM 11.6 billion in 1984 to DM 13.7 billion in 1987 (plan). During the same period, federal R&D support for the private sector showed even smaller gains (from DM 5 billion to 5.7 billion). The research survey shows that the Federal Ministry for Research and Technology allocated ever fewer funds to the private sector, while the Federal Ministry of Economics and the Federal Ministry of Defense kept increasing their outlay. In 1987, the Ministry for Research and Technology will cut its subsidies to the private sector to DM 2.2 billion; this represents a reduction of DM 350 million, as compared to 1984. In contrast, the Ministry of Defense and the Ministry of Economics increased their support of private sector research and development during this period (by approximately DM 750 and 300 million, respectively).

The following figures illustrate the policy change initiated to reduce direct, project-related support:

During the period from 1982 to 1987 (target), Research Ministry support of private sector research was cut down considerably--by approximately 1 billion down to DM 2.2 billion. Of the DM 2.2 billion, approximately 1.4 billion are allotted to direct, project-related support of market-oriented technologies, and approximately DM 430 million, to indirect and indirect-specific research support; the remainder (approximately 370 million) is earmarked for preparatory research and long-term state programs. For the most part, the reduction of state funding of private sector research is attributable to the cuts in direct, project-related support of market-oriented technologies. During the period from 1982 to 1986, the funds allotted to these areas declined by approximately DM 1 billion; in 1987, they will be reduced by another DM 200 million to DM 1.4 billion.

At the same time, support of research cooperation between science and the private sector intensified.

Likewise, support of small and medium-size enterprises was expanded greatly. Between 1981 and 1987, Research Ministry funding increased from DM 253 million to DM 509 million in 1987 (target).

According to the report, the Research Ministry's objective is not to invest more money in support of private sector research, but to improve the basic conditions for the development of research and development and to stimulate independent initiative on the part of privately owned, medium-size enterprises.

#### Reduction of Indirect Support

As early as 25 May 1987 and also on 9 and 10/11 July 1987, the HANDELSBLATT reported on the plans to reduce indirect and indirect-specific support through systematic--and in part early--discontinuance of support programs. In connection with the tax reform financing, even the R&D investment allowance is jeopardized. Most of these support measures, however, originate not from the Federal Ministry for Research and Technology, but from the Federal Ministry of Economics. All in all, the support made available in 1987 to medium-size

enterprises by the research and economics ministries amounts to approximately DM 1 billion.

#### High Technology Competitive

According to the Federal Ministry for Research and Technology, the widespread suspicion that large enterprises are given greater support than small and medium-size firms is unfounded. The ministry points out that on average small and medium-size enterprises receive 16 pfennigs for every mark they themselves spend on research, i.e. about twice the amount of state support granted to large enterprises (8 pfennigs).

In regard to technological competitiveness, the Research Ministry report states that the prospects of German industry in the international markets are promising: Regarding technology-intensive products, the foreign trade balance can be considered favorable; plastics, synthetic goods, chemical products, products of the machine building and electrical engineering industries, optical instruments and precision-mechanical products are distinguished by above-average competitiveness in world trade. The report also notes good prospects for certain research-intensive products; it mentions a recent study by the Fraunhofer Institute, according to which Federal German high-tech products are quite competitive vis-a-vis U.S. and Japanese products.

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## STUDY RECOMMENDS MASSIVE SUBSIDIES FOR ELECTRONICS INDUSTRY

36200310 Frankfurt FRANKFURTER ALLGEMEINE in German 22 Jul 87 p 9

[Unattributed report: "DM35 Billion By The Turn of the Century/Risks Too High for Companies/Microelectronics 2000"]

[Text] Frankfurt, 21 July--In future, the city was to provide massive support to the German producers of electronic components. This prompted the study "Microelectronics 2000," which was prepared by industry, higher education, and institute representatives at the suggestion of the Ministry for Research and Technology. It is one of four studies to be included in the government's formulation of a concept for the future in information technology. A large number of representatives from Siemens AG, VDE/VDI (Verband Deutscher Elektrotechniker/Verein Deutscher Ingenieure)-Gesellschaft Mikroelektronik (GME) participated in the presentation of the study in Frankfurt.

The authors of the study consider it "urgently necessary" that industry expenditures on research and development until the turn of the century, some DM12 billion, "largely" be covered by support measures. Moreover, the semiconductor industry should be relieved of the burden of over DM14 billion in additional investments occurring during that time frame by means of "further monetary measures." Finally, "flanking measures" should be taken for basic research and for the "adequate building-up" of the subcontracting industry. This is justified with the key role of microelectronics in the national economy. According to Hermann R. Franz, a board member at Siemens, raw materials-poor West Germany needs the "microelectronics resource" to ensure its economic strength for the next century. Microelectronics helps devices and systems as well as technical functions and processes achieve qualitatively new features. Through its role as pacesetter, an efficient semi-conductor industry opens economic opportunities that would go far beyond its own net product.

By the turn of the century, the production volume of the microelectronics industry would therefore have to correspond at least to West Germany's own market demand. This would require "extraordinary" advance payments for research and development and "extremely" high investments, which this branch of industry, despite its bonds with large companies, would not be able to raise on its own "for business reasons." For until the capital paid interest, said Franz, such a "drastically long time" would elapse that even risk-loving

companies like Siemens would be overstrained. Franz drew attention to the fact that it was not a matter here of subsidies for a traditional branch of the economy that has fallen onto hard times, but rather of a "political and economic switch point" for a highly industrialized country that would lose this claim without microelectronics. It was for this reason that Japan and the U.S. also would provide massive support to this industry.

According to the study, only around 40 percent of the microelectronic market in western Europe can be supplied by European semi-conductor manufacturers. For the remaining 60 percent Europe is dependent on manufacturers overseas. This dependence presents an "unacceptable danger," however, for all industrial branches that depend on information technology; for the free, unrestricted access to modern microelectronic products and techniques could be curtailed by security interests in the U.S. and by global objectives in industrial policy in Japan.

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## EDITORIAL COMMENTS ON ROLE OF SERVICE INDUSTRY SECTOR

36200314b Frankfurt FRANKFURTER ALLGEMEINE in German 25 Jul 87 p 9

[Article by Konrad Mrusek: "Economy Without Sound and Smoke--The Service Society"]

[Text] It cannot be said that the word 'service' is an imaginative linguistic creation. Yet it holds great fascination. Scientists who have the courage to make long-range prognoses have for decades announced the dawn of a third industrial revolution, the change from an economy of goods to that of service. They are quick to console all those who are concerned about the shrinking of the so-called smokestack industries. The demand for new services would create new jobs, it is said, not only at McDonald's and in solaria but in the entire tertiary sector.

In the case of some prophets the service society has the air of a reward for an industrialization put behind us, like a premium for enduring noise and smoke for a time. Leaving the visions aside, the (unfortunately somewhat meager) statistics show that the change to a service economy has indeed already advanced far and shall continue to do so. This development does not follow some law of nature. It is a consequence of increasing affluence which creates more financial latitude for services such as travel, property consulting or financial investment. Also, the differentiation of jobs propels the structural change; households and companies buy services which specialists can offer better and cheaper.

The change of the economic structure is considerable but it would be premature to describe the industrialized nations as service economies at this early stage. It is equally questionable to draw international comparisons and then to form structural figures from these. Now and then, this is the pattern that is followed. If a country has a larger number of employees within the service sector, this is called progressive; if a large share of the national product still consists of goods, then the national economy has "slept through" a development so to speak.

Such comparisons yield an unfavorable image for the FRG. The country, compared to its Western competitors, has a small tertiary sector. In America, 71 percent of the workforce is employed in service industries, in Great Britain 66 percent, in Germany, on the other hand, only 53 percent. Similar if lesser differences prevail for the share of services in the gross domestic product.

Is the FRG, as is frequently heard, missing out on a secular development? Structural comparisons have their pitfalls, especially when economic conclusions are being drawn. The same is true for services. Even the term is barely defined; the statistics are likely to be less reliable. In the tertiary sector, private and government services are being mixed together. When counting only the services supplied by private business, their share in the gross domestic product in the FRG ranges at 41, in the industrialized nations of the OECD at 44 percent. Almost as high (43 percent) is the quota of production of goods. Therefore, the service economy is still wishful thinking.

The statistics are even more complicated, however. The growth of the service sector is not so much a consequence of private demand. Contrary to forecasts. German households have not disproportionately increased their expenditures--compared to the demand for goods. The reason for this is the relative price increase for services. Since productivity is low in the tertiary sector, cost and prices rise. Instead of hiring help, households bought appliances (washer, vacuum cleaner and dishwasher); do-it-yourselfers replaced hired craftsmen, and in businesses (expensive) personnel was substituted with customer self-service.

The growth of the tertiary sector can primarily be attributed to the fact that production companies relegate an increasingly greater portion of assignments--from cleaning to data processing all the way to leasing and financial consultation--to other operations. Existing departments are being dissolved. In this manner, the statistic suggests a pseudo-boom in the tertiary sector. In view of the fact that in America companies tend to make greater use of specialized services than in the FRG, it follows that the country must have a larger service sector. A new study by the OECD, which eliminates such statistical bias, yields the result that two-thirds of the national product in industrialized nations is still related to the production of goods. The elimination of services from production companies is, if it obeys market signals, a sensible differentiation of work and thus a plausible structural change. Yet the absence of such a change may also possess economic logic. Either internally provided services in a production operation are cheaper or transaction expenses are incurred during the transfer.

Especially in the FRG, the overly naive count of people employed and of gross domestic product shares in the tertiary sector is to be taken with a grain of salt. The travel-happy Germans have the greatest deficit in the tourism service sector, meaning that they "consume" far more vacation abroad than do foreigners in this country. In 1985, the deficit reached DM25.6 billion. If the sun would look more favorably upon the FRG, if the wages were lower than in Spain or in other vacation areas, the German tourist business would be greater too, the tertiary sector more extensive. But the advantages of location are of a different nature. For example, the Germans are successful on world markets with chemical products and machine tools, and with the money earned from this they buy themselves sunny vacation services in other countries. As long as markets remain open and government intervention does not distort pricing, there is nothing wrong with that.

## LOWER HEALTH CARE COSTS CURB PHARMACEUTICAL INDUSTRY GROWTH

36200302 Frankfurt FRANKFURTER ALLGEMEINE in German 11 Jul 87 p 12

[Article by Werner Kohler: "The Times of Strong Growth in the Wholesale Pharmaceutical Trade Are Over"]

[Text] 10 Jul--Of the just under 90 independent wholesale pharmaceutical businesses in 1960, only 30 are still left, and of the then 176 plant sites there are now 110. The others have either voluntarily dropped out or were forced to, or they have been taken over competitors. This process of concentration is now likely to have been essentially completed, says Juergen Brink, president of the Wiveda eG; other spectacular takeovers are probably no longer to be expected. Thus the front lines seem to have clarified, after two events had caused a great sensation:

The Swabian businessman Josef Merckle bought a majority interest in the Mannheim wholesale business of Ferdinand Schulze, and quite recently the three pharmacists' cooperative purchasing associations Egwa, Noweda, and Wiveda--together with the pharmacist-owned drug manufacturer Stada AG in Bad Vilbel--took over 65 percent of the shares of the Andreeae-Noris Zahn AG (Anzag), of Frankfurt. The reason for this investment was: Merckle was in the market for the 45 percent of the Anzag shares that until recently had been held by the Bavarian Vereinsbank and the Frankfurt banking house of Metzler.

The roughly 8,000 pharmacists participating in the three purchasing associations now control indirectly one-third of the market of the wholesale pharmaceutical trade, whose sales volume is a good DM 15 billion. The sphere of influence of Merckle--who does not like to speak of a "Merckle group," and legally there is none--is still limited to just over a fourth. The pharmacists and Merckle together possess somewhat less than two thirds of the market shares. In the future Gehe AG, which belongs to Franz Haniel & Cie, wants to emphasize its "independence" more, an independence "unencumbered by trade politics and manufacturer interests." The remaining firms, mostly regional distributors of pharmaceuticals, are predominantly family operations.

The wholesale pharmaceutical trade was once a definite growth industry, accustomed for a long time to two-digit growth rates. That's all over now, above all since attempts are being made to restrain costs in the public-health sector. In 1986 the market still grew by just under 6 percent, to DM 15.2 billion. The price standstill agreement in the pharmaceutical industry has had an effect, as a logical consequence, also at the wholesale level. Thus

the price rise for drugs was only just over 1 percent, with corresponding consequences for the profit situation of the wholesalers. A substantial improvement is not expected, above all in view of the planned structural reform in the public-health sector.

In 1986 the number of pharmacists grew further by 252 (net) to 17,439 persons. More and more pharmacists are taking care of fewer and fewer citizens: in 1986 on a national average there were 3,500 people for each public pharmacist. This is leading to greater demands on the wholesale business. Excess capacities in the wholesale business are aggravating this competition for survival, which is felt to be "ruinous" in this industry. Almost all wholesalers have had to put up with a worsening in their earnings since the middle of last year.

The wholesale pharmaceutical business (the full-line retailer carries at least 70,000 items) is also affected by the fact that non-prescription drugs often are carried by other forms of marketing--such as supermarkets, department stores, and discount drugstores. Moreover, the less expensive generic drug preparations are gaining in importance. Their share in the total market is estimated at 10 percent (value) and 15 percent (volume), with a further rising trend for the time being. Merckle is involved in this, with the firm Ratiopharm, the largest German generics manufacturer. The pharmacists also have a presence in this sector with their drug manufacturer Stada and with Anzag. Its subsidiary company (Farmaryn) has gotten a number of corresponding medicines registered--including non-prescription drugs. In the future these are to be made by a famous, not yet named partner from the pharmaceutical industry, which is also going to become an Anzag stockholder.

#### The German Wholesale Pharmaceutical Business

Company	Market share in percent
Interest group of pharmacists	32.9
Including Anzag	15.1
· Egwa eG	8.4
Wiveda eG	5.5
Noweda eG	3.9
Merckle sphere of interests	27.4
Including Ferd. Schulze	16.0*)
Hageda	4.0
Stumpf	2.6
Reichelt	2.1
Efeka	2.1*)
Tempelhof chemical plant	0.6*)
Gehe/Ruwa	14.8
18 family operations	25.0*)

\*)Estimated. Source: Wiveda eG.

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## IMPROVED RAIL CONNECTIONS HIGH PRIORITY FOR BERLIN SENATE

36200314a Frankfurt FRANKFURTER ALLGEMEINE in German 25 Jul 87 p 4

[Text] West Berlin 24 July--Transit traffic from and to Berlin continued to grow in the first half of this year. The Federal Border Patrol counted roughly 12 million travelers on the transit routes; during the comparable period of the previous year the count was roughly 10.9 million. In spite of the increased Berlin traffic overall, the number of persons traveling by train has continued to decline. This was pointed out by Berlin Senator Scholz at checkpoint Helmstedt. According to his account, 2.78 million travelers were counted in 1984 at the train transit points; in 1985 there were 2.92 million and in 1986 only 2.75 million people who had used the train connections between Berlin and the rest of the State. Scholz attributes this to the poor state of rail connections through the GDR, the associated long travel times and the lack of quality service in the transit trains. While rail users in the FRG were accustomed to intercity quality levels, the transit trains still operated on a postwar level.

According to Scholz, the Berlin Senate considers the basic modernization of the rail connections the most important subject for internal German discussions. Especially the basic renovation of the Helmstedt-Berlin line should be given top priority over all other traffic projects with the GDR. It is the goal of the Berlin Senate--which gained support in this by a resolution passed in December of last year by all parties represented in the parliament--to bring railroad traffic to a standard which would meet today's modern requirements and would win over new passengers for the railroad mainly through noticeable shorter travel times and improved comfort. A possible increase of ridership by 200 to 300 percent was in the interest of both the GDR's Deutsche Reichsbahn and the Deutsche Bundesbahn.

For the renovation of the rail connection between Berlin and Hannover, three possibilities are conceivable. The first would be the electrification of the existing line via Potsdam, Magdeburg, Braunschweig. Not much would be gained by this, however. This east-west axis is already so densely occupied and the substructure is so poor that mere electrification would not bring about a higher transit capacity and any major reductions in travel time.

#### A New Line

The plan to build a completely new magnetic rail line through the GDR does not stand a chance because this would strictly be a corridor traffic, which nobody in Bonn and Berlin wants. Besides, a state-of-the-art magnetic train is not capable of handling the necessary extensive freight traffic. Which only leaves the new construction of a modern line as a desirable option, which could lead either via Braunschweig, Magdeburg or via Oebisfelde. This link should be able to accommodate high-speed trains which via Berlin could later be routed on to Warsaw or even Moscow. In Senator Scholz' opinion the East--not only the GDR--has a great interest in Western rail technology and might therefore be interested in a modern East-West rail connection. In a discussion about such an express connection with Central European ICE Standard between Berlin and Hannover it should be taken into account, says Scholz, that although the required capital expenditure would be high, this would be distributed over an expected period of 10 years. According to Scholz, the expansion of rail connections should be given priority over other intra-German road construction projects. In view of the State's financial situation, raising the standard of rail traffic should be at the top of the list of priorities for internal German projects, as far as Berlin is concerned.

During the past year the GDR has levied a total of 131,000 fines against transit travelers within the highway transit system between Berlin and the rest of the State the majority because of speeding. In the German-German transit commission, where incidents on the transit routes are discussed regularly, the GDR has alleged--stated Scholz--that among the actions prohibited and punishable under the transit agreement the "unauthorized leaving of transit routes" had increased by 41 percent during the first 5 months of this year as compared to the comparable period of the previous year. Unauthorized pick-up and dissemination of material--this also includes giving presents to relatives or acquaintances in the GDR during transit--had increased by 11 percent, driving under the influence by 13 percent. Unfortunately, the GDR side has not been willing to date to quote absolute figures. This would be the only way, however, to give true evidence of the actual extent of these violations of the transit agreement and the highway code of the GDR. Nevertheless, Senator Scholz was prompted by these figures to once again appeal to all users of the transit routes to comply with the GDR highway code as well as with the special provisions of the transit agreement. He called on the GDR to continue to make allowances and merely reprimand, even more so than before.

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## NUCLEAR ENERGY CALLED 'INTERIM SOLUTION' AT ENERGY FORUM

36200306 Frankfurt FRANKFURTER ALLGEMEINE in German 11 Jul 87 p 12

[Article by [fuel]: "Nuclear Energy Only an Interim Solution"]

[Text] Hamburg, 10 July. Most politicians, industrial leaders and other social groups appear to be agreed that nuclear energy is only an "interim solution." The only point at issue is exactly when nuclear energy production should be discontinued. This was confirmed at the "First International Energy Forum" at the Hamburg Congress Center which was attended by approximately 200 persons from all over the world. Martin Gruener, permanent under-secretary of the Ministry for Environment, reduced the federal government's point of view to the formula: "Discontinuance of nuclear energy production is possible only if there are no economically detrimental consequences and if the nuclear power plants can be replaced by power plants less harmful to the environment."

All of the participants considered it necessary to step up promotion of alternative forms of energy such as solar and wind energy and hydrogen. There was sharp disagreement, however, in regard to the efficiency of regenerative forms of energy. Gruener stated that efficiency had to be considered the overriding criterion; otherwise one would run the risk of investing in the wrong energy forms of promise. The under-secretary called use of solar energy by the Federal Republic a "pipe dream"; development costs would be "gigantic." To be sure, the proposal--advanced in this connection by Werner Freiesleben of the firm of Wacker-Chemietronic--to build a 60-megawatt solar power plant was considered "sensational." Such a solar energy plant could produce electricity priced at 40 pfennigs per kilowatt-hour.

Many participants felt that in order to test the efficiency of solar energy, pioneering pilot projects would be necessary. No agreement was reached on the question whether the costs of a solar power plant (approximately DM 200 million) should be covered exclusively by state subsidies or whether industry should join in. Similarly, the participants differed in opinion as to whether the electric power-supply companies should be required markedly to step up their investments in alternative forms of energy. For the rest, however, this energy forum proved to be just another conference marked by a dearth of practical proposals concerning economical utilization of alternative forms of energy.

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## GOAL OF IG BAU IS 35-HOUR WEEK

36200306 Frankfurt FRANKFURTER ALLGEMEINE in German 16 Jul 87 p 13

[Article by [klr]: "IG Bau Wants 35-Hour Week"]

[Text] Frankfurt, 15 July. The IG Bau [Construction Workers Union] has given notice of termination of the collective agreements for the construction industry as of 31 December 1987. Although the agreement on working hours is not terminable until 31 December 1988, the IG Bau wants to include it in the negotiations from the outset; the effective date could be discussed later on, the union says. At this stage, the goal of the union, which so far has been advocating early retirement, is to obtain the 35-hour week. To attain this objective, it will respect no "taboos," the union says. Its minimum requirement: The new provisions concerning working hours must preclude reintroduction of seasonal work in the construction sector. Aside from working hours, the demands are focused on vacation, fares, hardship bonuses, and wage brackets. It is expected that the employers will again raise the demand that any wage and salary agreement take into account supplementary contributions.

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## BRIEFS

GOVERNMENT OPPOSES INTEREST SUBSIDIES--The Federal Government has requested the western countries not to grant interest subsidies in East-West trade. The latest report on economic relations with the Eastern state trading countries says that foreign trade should not be adulterated by interest subsidies. The Federal Government persists in its opinion that German export guarantees do not represent subsidies, even though the Federation has for some years been compelled to act as guarantor for payment deficiencies arising from export credit insurance. The report describes as "currently still sobering" the bottom line of industrial cooperation between German corporations and eastern agencies. The GDR is said to be the only Eastern Bloc country still rejecting all joint ventures. 1986 foreign trade figures confirm that, at less than 5 percent of the total, East-West trade is of little economic importance for the German economy. [Text] [Frankfurt FRANKFURTER ALLGEMEINE in German 12 Jun 87 p 13] 11698

STUDY ON COLOGNE HARBOR SPACE--"Unless a new harbor is established in Cologne within the next 5 years, the economy of the region of our chamber will be disadvantaged." The Cologne Chamber of Industry and Commerce published a study on the "demand for harbor space in the year 2000, that strongly champions an additional harbor. The spokesmen of the chamber are at a loss to understand that the city itself considers the existing capacities sufficient. A decision would have to be forthcoming by the fall. The Cologne economic region has 10 ports, 5 of them publicly owned and merged in the newly established "Haefen Koeln GmbH" [Cologne Ports Company with Limited Liability]. These 5 publicly owned ports extend over a land area of 1.5 million square meter. According to the chamber's calculations, around 465,000 square meter need to be added. Inland shipping, the report says, will assume increasing importance at a time of growing environmental concerns. Moreover, in addition to the need for providing space for containers (up to now always mentioned as the first priority), it is imperative to take new aspects into account. According to the chamber, inland ports will turn into freight traffic centers, where all carriers such as forwarding agents and haulage companies will offer their services. Inland ports will also become cargo handling facilities for new types of bulk freight still not even thought of. One example cited by the Chamber of Industry and Commerce is plaster of paris that occurs as a new bulk commodity used in the wet desulfurization of flue gas. In future ports might also handle the disposal of garbage, wastes and sewage sludge on behalf of conurbations. While businessmen have long been

aware of these possibilities, city officials had not so far taken it into consideration. [Text] [Duesseldorf HANDESGLATT in German 4 Jun 87 p 24] 11698

TRANSPORTATION MARKET LIBERALIZATION ROADBLOCK--Europe has agreed that transportation markets are to be liberalized by the end of 1992. The FRG Government, though, is using delaying tactics. Transport Minister Juergen Warnke has taken over his predecessor's (Werner Dollinger) watchword: "Yes to liberalization, but not without harmonization." In some ways this makes sense, because competitive conditions on European transportation markets are so distorted, that freedom of the roads is likely to be far off without an adjustment of the terms set by the individual countries. German long distance trucking companies are definitely disadvantaged. They pay high motor vehicle taxes and are additionally loaded down by road use fees abroad; another factor are strict technical and social regulations. On the other hand, German road transport companies are protected by the shield of an impenetrable, government decreed and national rate structure that--once established to protect the railroads without ever having benefited them--resulted in excess domestic freight costs. Admittedly, impossible demands tend to prevent solutions. The Federal Government initially requires motor vehicle, gasoline and value added taxes as well as motorway use fees to be equalized in the Community. And yet, will there ever be a political compromise with our neighbors? It is hard to imagine that these latter will raise their taxes, especially if they are exceptionally low (as in the Netherlands, for example). On the other hand, a reduction in the motor vehicle or gasoline taxes is hardly to be expected in the FRG, given the strains on the state budgets. Abolition of motorway tolls in other European countries is unlikely, because--even after the amortization of construction costs--maintenance costs remain high. The Bonn Transport Ministry, for its part, has publicly discussed the matter of motorway tolls or the imposition of German taxes on foreign truckers. However, none of this is not very likely, because it would involve considerable administrative costs. The suspicion remains that the half-hearted call for harmonization is intended less to prepare the field for competition than to delay the liberalization expected. [Text] Frankfurt FRANKFURTER ALLGEMEINE in German 12 Jun 87 p 13] 11698

CSO: 3620/254

### EEC INTEREST IN STABILIZATION PROGRAM'S SUCCESS

Athens TO VIMA in Greek 9 Aug 87 p 1

[Text] EEC is interested in the success of the Greek stabilization program and is seeking ways to strengthen it. It thinks of accelerating financing of the Mediterranean Integrated Programs [MOP] as well as other programs from the Community's structural funds, suggesting at the same time a measured increase in salaries, wages and pensions of the Greek working people.

The Greek economy is a kind of test case for the EEC--how the EEC should deal with problems such as those in Greece, since similar programs may appear in other member-states and particularly in south Europe.

In this context, EEC Commission Chairman Jack Delor, wanting to find out the Greek government's relevant intentions, sent to Athens on a quick, secret mission his personal advisor Lamont.

Lamont came Thursday afternoon and after meeting with Minister of National Economy Simitis and other senior government officials, left Friday morning. Delor's emissary was particularly interested in finding out the drift of consultations for the future economic policy of the Papandreu government and its views as to how EEC can help realization of the Greek aims.

Consultations took place in Athens under Papandreu's chairmanship with the appropriate government officials--the last took place in Kastri [the premier's residence] Thursday afternoon, while Lamont was arriving in Athens. During those consultations guidelines of the new economic policy were set. Some aspects of this policy will likely be announced by the premier in Thessalonika on 5 September.

TO VIMA is told that in these meetings it was decided to improve the Automatic Price Index Adjustment, with the expectation that it will rise to 12 percent in 1988, higher than the present level.

It was also decided to improve incomes of pensioners and low-wage employees, to reduce deficits of public enterprises and agencies, to reduce income tax for private and public employees, et al. Minister Simitis was given the task of drafting outlines of the new economic policy for a "measured transition from austerity and stabilization to the stage of growth."

Lamont told Simitis that the Commission and its chairman are interested in the success of the Greek stabilization program. He added that the Greek government can expect EEC's help in its economic policy, but he did not commit himself. Lamont let it be understood that occasional published reports that certain economic ministers are going to be replaced causes "surprise, astonishment and concern" in EEC because replacements also mean at least "a shift in tactics" in implementation of the government's economic program, if not a change in the economic program itself.

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## UNIONS MAY FACE SHORTENED WORK WEEK BY 1990

Duesseldorf HANDELSBLATT in German 11 Jun 87 p 5

[Article by L.T.: "Mobilizing Strength by 32-Hour Week From 1990"]

[Text] Dr Detlef Hensche, second chairman of the IG [industrial labor union] Print and Paper considers it possible that the labor union will call for a 32-hour week in 1990, after expiry of the 3-year labor contract.

In the labor union organ DRUCK UND PAPIER [Print and Paper], Hensche calls on the DGB and other labor unions to come to an early agreement on a new "union general and political" goal, such as had happened in the case of the broad-based action for the 35-hour week. He doubts, though, whether it will be possible in 1990 to produce an "across the board reissue" of the 35-hour claim (which would require the IG Print to develop the necessary mobilizing strength for the fourth time).

Hensche writes that it will presumably be necessary 3 years from now to look somewhat farther. "It may be that the claim to further cuts in working hours will aim at something like a 32-hour week. It is also possible that we may combine this goal with that of protection against the adverse consequences of rationalization or demand contracts specifying secure working and performance conditions. Lastly, we may well incorporate the 35-hour week in the unions' struggle to secure normal working condition and prevent the further advance of unprotected labor contracts."

Recalling the last negotiating round, Hensche regrets the 3-year pause in wage increases agreed by the IG Metal and the IG Print as a compromise in return for the 37-hour week. Annual standard wage negotiations should not be underestimated, if for no other reason than because "the labor unions come to prominence among the thoughts of the membership in the course of the annual wage movement and are therefore taken more seriously." Still, the quiet of the grave was not to be expected even now, in view of the fact that various other standard wage negotiations are proceeding.

Hensche objected to the popular evaluation of the metal contract as representing a "new style of standard wage contract policies" or a "new relationship between the negotiating parties." The negotiations were the result of neither a new style nor of the arrival of a new age of social

partnership," he wrote. The fact that the employers had accepted a 90-minute cut in working hours was entirely due to the labor unions' strike preparations. "Most of all--if the DGB had not decided on concrete preparations for dealing with a lock-out, the negotiations would not have yielded a single minute's cut from working hours."

According to Hensche, the employers had respected the increased union strength and the strategy of transcending the scope of single unions. The unions, on the other hand, had been affected by the amendment of Article 116 AFG [labor code]; otherwise they would have insisted on a graduated plan aiming at the 35-hour week. Insofar the negotiations had achieved a balance.

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## CLINIC REPORTS ON HEALTH CARE PROBLEMS FOR TURKS

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 20 May 87 p 16

[Article by Gesine Desgroseilliers: "Turkish Patients Experience Special Difficulties"]

[Text] Turkish patients in the Federal Republic are experiencing special difficulties. Wrong medical diagnoses often decide the course of their diseases. Many are condemned to chronic illness, some die because their disease was not recognized in time. These are the findings of the staff of the (so far) unique model project on "psychosomatic problems of Turkish workers and their families," carried on at Giessen University Hospital. Continuing on from these findings, the project (in existence since 1984) has now been expanded by an outpatient clinic at the psychosomatic department.

"We considered this appropriate, because we noted that about two thirds of the diagnoses for Turkish patients referred to us or the medical department were either inadequate or entirely wrong." With these words, project manager Michael Wirsching last Wednesday justified the new establishment. In order to be able to provide just as good treatment to Turkish patients as to German sufferers, ongoing cooperation had been agreed within the framework of the outpatient clinic with Yasar Bilgin, a Turkish internist working in the medical outpatient clinic, and so had reciprocal referrals between that clinic and the psychosomatic center.

According to Wirsching and Bilgin, the last 150 patients referred to the project group or the medical outpatient department from all parts of the Federal Republic had been subjected to "misdiagnoses to an extent formerly unsuspected by us physicians." Among the 75 patients, for example, referred for allegedly psychosomatic complaints, some 50 in fact had organic illnesses; 30 needed to undergo open heart surgery and were given a by-pass, otherwise they would have died quite soon, Bilgin reported.

Another 75 Turks had been referred as suffering from cardiac and vascular or other organic complaints. These diagnoses had been correct for 25 patients only; in the other 50 cases the symptoms were of a definitely psychosomatic nature.

The project staff largely explain the high rate of inadequate medical diagnoses by the sociocultural differences between the Turkish workers (handicapped by integration difficulties and often also by conflicts with their children, educated in Germany) and the world of the German physicians. For that reason and not only because of linguistic difficulties, misunderstandings arise and result in medical misdiagnoses. The project group therefore not only offers counseling for Turkish patients and their families but also provides advice for referring physicians, nursing personnel, the staffs of counseling agencies and insurance carriers.

Funding for the Giessen model projects, provided by the Hesse Ministry for Social Affairs, will run out at the end of this year. The 10-strong team--including psychologists, Turkish translators and sociologists--will have to disband unless another carrier can be found. Regardless of the outcome, Wirsching (who is head of the Giessen clinic for psychosomatics and psychotherapy as well as project manager jointly with psychologist Emanuela Leyer) intends to transfer the new outpatient clinic for Turkish patients to regular hospital operations.

After all, the physician says, "this kind of health care should not be considered a luxury."

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